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# AGRICULTURAL FINANCE REVIEW

FARM CREDIT • FARM INSURANCE • FARM TAXATION

UNITED STATES DEPARTMENT OF AGRICULTURE
BUREAU OF AGRICULTURAL ECONOMICS
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UNITED STATES DEPARTMENT OF AGRICULTURE
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The staff of this Division conducts research in agricultural credit, farm taxation, farm insurance, and in other fields relating to the general financial condition of agriculture. The results of this research are made available through reports and publications. Also, pertaining to matters of agricultural finance, data are furnished on request to various Bureaus of the Department of Agriculture, to other Federal and State agencies, and to private individuals and organizations.

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## V. N. VALGREN RETIRES

Dr. V. N. Valgren, Principal Agricultural Economist, in charge of the agricultural insurance work in the Bureau of Agricultural Economics, retired on June 30, 1946, after having served about 29 years with the Department. Few men have been so intimately connected with the growth and prosperity of farmers' mutual fire insurance in this country.

Born in Sweden in 1876, he came to this country at the age of 6 years. He received his degree of Doctor of Philosophy in economics from the University of Chicago. Employed as an "Investigator in Agricultural Insurance" in the old Office of Markets and Rural Organization, in 1915, he later served in the Division of Farm Management and Farm Economics and in the Division of Agricultural Finance of the Bureau of Agricultural Economics. Part of this time he served as Chief of the Division of Agricultural Finance.

Except for a 3-year period from 1923 to 1926, he was continuously associated with the Department of Agriculture or the Farm Credit Administration. In 1923 he left to become Manager of the Crop and Weather Division, Automobile Insurance Co., Hartford, Conn. Upon his return to the Department, in 1926, he served in the Bureau of Agricultural Economics until he became connected with the Farm Credit Administration in 1935. There he continued his work with the farmers' mutual fire insurance companies in the Cooperative Research and Service Division. He returned to the Bureau of Agricultural Economics in October, 1943, and remained there until his retirement on June 30, 1946.

# AGRICULTURAL FINANCE REVIEW

Vol. 9 November 1946

## FINANCIAL PROSPECTS IN A CHANGING AGRICULTURE

Lawrence A. Jones

For the first postwar year of 1946, history will surely record reference to the Nation's tremendous purchasing power, the seemingly unlimited demand for food and fiber, the record level of farm production, and the all-time high for cash farm income. This is part of the setting in which agriculture finds itself after a decade of rising income. Despite these currently favorable conditions, farm people now are in the closing phases of a great war period and many are apprehensive of their prospective financial welfare after the return to peacetime conditions. Their main concern is of future income; and foresighted farmers are now raising the question as to the extent and direction of investments that should be made in the farming business. Perhaps an examination of current agricultural conditions, a review of economic trends in the past, and an analysis of the changing income relationships characteristic of agriculture will provide an understanding basic to the solution of many farm problems.

### Wartime Financial Improvement

In focusing attention on the current financial status of agriculture one finds that by mid-August of 1946 the index of prices received by farmers was 249 compared with an index of 235 reached in the boom immediately following World War I. These exceptional prices and a high production level indicate that the record farm income of 1945 will again be reached or surpassed in 1946. At the beginning of 1946 agriculture's assets were valued at over 100 billion dollars.1/ This was almost double the valuation on January 1, 1940 soon after the start of the war in Europe. The combined value of all the physical assets - farm real estate, crops, livestock, and farm and home equipment - increased from approximately 49 billion on January 1, 1940 to over 81 billion dollars on January 1, 1946. During the same period farmers' financial assets such as currency, bank

1/ See BAE Report "The Balance Sheet of Agriculture, 1946," Federal Reserve Bulletin, Sept. 1946, pp. 974-994.

deposits, and Government bonds rose from an estimated 5 billion to about 19 billion dollars. Further, the equity position of farmers and others who own the agricultural business was improved by a reduction of 1.7 billion dollars in debts.

The improvement in the financial condition of agriculture stems basically from our participation in the war. The rapid expansion of production for war purposes was accompanied by a sharp increase in the dollar volume of national income. Combined with a shrinking output of consumer goods, these increasing monetary incomes exerted a growing inflationary pressure. The general price level, and prices of farm products in particular, went up. Soon after our entry into the war and for the first time since 1920, the index of prices received by farmers (1909-1914 = 100) exceeded the index of prices paid by them. This favorable ratio, which, along with a high output has contributed to the financial well-being of agriculture, continued throughout the war.

## Significance of Rise in Value of Agriculture's Assets

Before the apparent prosperity of agriculture can be accepted as real, it is important that the situation be analyzed in more detail and that its significance relative to the future be considered.

One fundamental fact vital to understanding is that the physical assets increased in value primarily in dollar terms; and in times of war, dollars are plentiful and cheap. Viewed in this light it is clear that much of the 33-billion-dollar wartime rise in the valuation of the physical assets of agriculture is an inflated value caused chiefly by price increases. In fact, soil fertility has been lost, the repair and construction of farm buildings has been postponed, and in the case of many farmers the prewar inventories of farm machinery have not been maintained. These physical assets constitute the real wealth of our agricultural industry.

As for the sizable growth in the holdings of cash, bank deposits, and Government bonds, it may be assumed for the moment that it represents a definite improvement in the financial condition of agriculture. But one may well ask the pertinent question as to how widely among farmers are these liquid assets distributed. It is known that, in general, farm production has been good, prices have been high, and farm incomes have been at record levels. There are indications, however, that savings have been concentrated in the hands of a comparatively small proportion of all farmers.

A survey of some 2,500 farmers made by BAE at the beginning of 1946 revealed that about half of them held no bank deposits. Also, half of them owned no United States savings bonds whatsoever. In the northern part of the country the proportion of the farmers holding these financial assets was somewhat greater than for the Nation as a whole, whereas in the South, particularly for croppers and tenants, the proportion having such assets was smaller. As for the dollar amounts held, it appeared from this preliminary survey that 70 percent of all demand deposits were concentrated

in the hands of 10 percent of the farmers. The survey also indicated that 10 percent of these farmers had about three-fourths of all the United States savings bonds held by the group.

A high degree of concentration of deposit and bond holdings does not necessarily mean that larger farm incomes or even improvement in financial condition during the war was confined to a fortunate minority. It is probable that many farmers invested their savings in the farm business to expand production. Others used some of their increased earnings to reduce debts. Still others preferred to use their better incomes to raise their level of living. Nevertheless, the fact that large numbers of farm people have insignificant amounts of liquid funds will have important implications for the future, particularly with reference to cushioning any decline in farm incomes; making desirable shifts in production; and in providing for efficient farm operation.

## Meaning of Wartime Savings

The next question which might well be raised concerning the 19 billion dollars in liquid assets owned by farmers is how much of an improvement in the financial condition of agriculture it actually represents. Two factors should be weighed in any analysis. In the first place the value of each dollar held, in terms of purchasing power, has steadily decreased throughout the war period with its biggest drop in the postwar year of 1946. On the basis of about a 50-percent rise in the prices farmers pay, their current holdings of 19 billion dollars are worth only about 12 billion in prewar dollars. The value eventually received for these dollars will depend largely upon the level of prices at the time they are spent. Second, it should be borne in mind that, in many instances, during the period these wartime savings were being accumulated, the fertility of the land was being used up, machinery was wearing out, and buildings were deteriorating. Also, there has been considerable wear and tear on items used by the family such as automobiles, radios, washing machines and other household furnishings. Whether adequate replacement of these farm assets has been made is doubtful. Therefore, in determining the net improvement in financial condition a deduction from savings sufficient to cover postponed repairs, improvements, and new purchases should be made.

## Inflation and Debt Improvement

In one regard a generally higher price level has made possible a definite improvement in the financial condition of many farmers. It has provided cheap dollars with which to pay debts. Although one dollar now will not buy as many goods and services as it did before the war it will pay as much debt. Loans incurred on a low-income level have been much easier to repay at the recent higher income levels. This situation, along with the restriction on expenditures and memories of recent debt difficulties, helps to account for the 1.7-billion-dollar shrinkage in debt which has taken place during the war years.

As with the accumulation of savings, it is probable that the financial improvement through repayment of debt has not affected all farmers in the same way. Large numbers of individuals have completely paid off their debts. Others have reduced their liabilities sufficiently so that little repayment trouble may be expected even if incomes decline to a prewar level. On the other hand, some farmers now find themselves with greatly expanded obligations. For the most part, this latter group consists of those who have recently bought farms or expanded their operations.

The soundness of the judgment used in incurring or repaying debt cannot always be determined without individual analysis. The time of the action, however, in relation to the phase of the price cycle is important. It is probable that, at the beginning of the war before prices became inflated to any great extent, numerous farmers paid debts out of funds which might have been used more profitably to buy machinery, improve buildings, or expand operations. In view of the subsequent rise in prices of farm products those with plants in good condition and capable of operating efficiently at maximum capacity profited the most even though they may have been substantially indebted. On the contrary, if 1946 or 1947 proves to be the top of the cycle, expansion of debt during this phase may be unfortunate unless the possibility of limited repayment ability in the future is kept in mind.

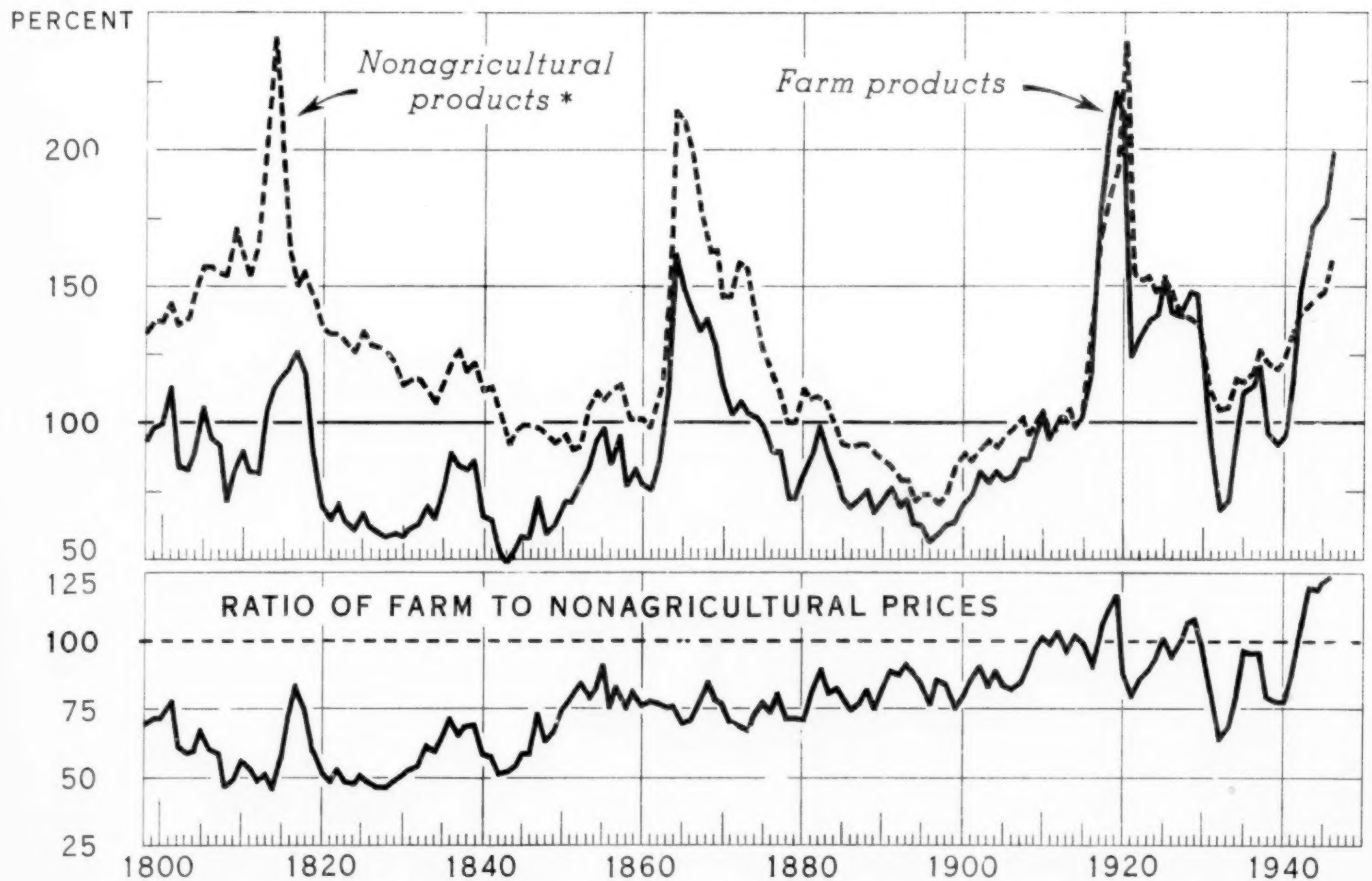
## Farm Prosperity in Historical Review

Following the foregoing brief analysis of the existing situation an attempt is here made to determine how 1946 fits into the long-time historical setting and also to investigate the possibilities of this favorable position being maintained. Anyone familiar with the business of farming in times past is well aware of its many financial ups and downs. Only a little more than a decade ago farmers were experiencing deep depression. Low prices, mortgage and tax foreclosure sales, closed banks, huge farm surpluses, and millions on relief were a few signs of the times. Looking somewhat further back to 1919 and 1920, agriculture was enjoying another period of prosperity not greatly dissimilar from that of 1946.

These alternating periods of good times and bad times have not been limited to this century alone. Prices of farm products have always been going up or coming down; seldom have they remained long at one level. Fluctuations have been particularly violent during war periods. For instance, in the 1800's one finds very little stability in the economic condition of agriculture (fig. 1). The beginning of the century in the midst of the Napoleonic wars was a prosperous period for agriculture. In 1807, however, with the advent of embargoes, prices dropped and farming came into difficulties. The War of 1812 and its accompanying inflation soon brought recovery, with farm prices rising and remaining high until the European demand for farm staples abruptly declined several years after peace came. The depressed farm situation was accentuated by the panic of 1818-20 and for nearly a decade prices of many agricultural staples were low. Then came an era of rising farm prosperity marked by "wild cat" banking and great speculation in western lands. These led to the panic of 1837 and to distressed conditions in agriculture that lasted until 1843.

# WHOLESALE PRICES OF FARM AND NONAGRICULTURAL PRODUCTS, UNITED STATES, 1798-1946

INDEX NUMBERS (1910-14=100)




* "ALL COMMODITIES" OTHER THAN FARM PRODUCTS AND FOODS

DATA FOR 1946 ARE TENTATIVE ESTIMATES

U. S. DEPARTMENT OF AGRICULTURE

FIGURE I

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BUREAU OF AGRICULTURAL ECONOMICS

After 1844 an improvement in farming conditions, attributed by some to poor harvests in Europe and the discovery of gold in California, occurred. Increasingly favorable agricultural prices continued thereafter until the troubled times immediately preceding the Civil War. During the war prices doubled and, except for certain war-torn areas, agriculture prospered. With the return of peace farm prices started downward. The subsequent panic of 1873 was followed by a long period of depression which caused widespread suffering among farm people, particularly in the West. Although interrupted by a fairly prosperous decade in the 1880's, the trend of the economic condition of agriculture continued downward to the middle 1890's. After the panic of 1893, farmers were in desperate straits with conditions possibly the worst for the entire century. Following 1896 the situation began to improve and agriculture experienced a long period of rising prosperity, receiving an especial stimulus during the World War that ended only with the "boom and bust" of 1920.

This historical perspective, which shows in particular price recessions following the major wars, gives considerable backing to the rather widespread belief that the current high level of farm prices cannot be maintained indefinitely. How soon before the decline begins and how serious it will be are questions that few people would attempt to answer. Factors which influence prices are the duration of the current world demand for food, future international trade relations, economic conditions within the country, weather conditions, and recent technological developments and improved cultural practices.

## Are Conditions Now Different?

One may point out that conditions now are sufficiently different so that fewer and less severe fluctuations in farm prosperity than in the past will occur. It is true that there are certain differences from World War I conditions that may indicate less serious adjustments ahead than took place between 1921 and 1933. Values of farm real estate in many areas have not yet reached the high levels of World War I. Farm debts in the current period have been declining, whereas in the World War I period they rose sharply. Also, the financial reserves of farmers have increased to the largest figure in the history of the Nation. Undoubtedly these favorable tendencies have been influenced to a large degree by Government price control and rationing restrictions which appeared to be more effective than the limited measures of the World War I period. Also, the recent depression of the 1930's may have had a sobering effect on farmers' actions. The two decades of rising farm prosperity before World War I were not conducive to conservative land values, large financial reserves and reduction of debts.

Moreover, the Government now appears to be committed to a more definite program for bolstering the agricultural economy. Certain institutions have been especially designed for this purpose. They did not exist after World War I nor in any of the other critical periods of our history. The Commodity Credit Corporation, through its vast lending and commodity purchasing authority, has the function of supporting farm prices. To make the problem of supporting prices less difficult the Government also has the machinery necessary to control, to a certain extent, farm production.

In addition, considerable stimulus to the expansion of foreign markets for farm products will be given by the operations of the World Monetary Fund, the World Bank for Development and Reconstruction, the British loan, and the lending activities of the Export-Import Bank.

These institutions and the experience gained in the depression of the 1930's provide hope for some progress in stabilizing farm prices. The farm problem is complex, however, and any tests which these institutions have met have not been conclusive to their success under all circumstances. It is difficult to maintain the economic condition of agriculture as a whole and even more difficult to solve the income problems of all farmers in all areas. Not only are there long-range trends that present difficulties to agriculture but also shorter term cyclical movements which have much to do with the success or failure of individual farmers. Basic to the optimum relationship between agriculture and the rest of the Nation's economy and to an adequate solution of the problems within agriculture is the determination of the proportion of the country's labor and resources that are needed or wanted in agriculture. This involves the encouragement of flexibility and mobility within agriculture to permit adjustment to these conditions.

Notwithstanding any possible remedy to the fundamental farm problem it is probable that short-term fluctuations in prices of agricultural commodities will be with us for some time to come. The year 1946 may be a critical stage of such a movement. The financial condition of agriculture is always affected one way or the other by rises or falls in prices. The fact that prices rise or fall is not necessarily bad in itself. But prices do not rise or fall equally and the whole structure of prices is distorted. The very character of agriculture makes it extremely difficult to prevent fluctuation in farm prices. Because of its biological nature and dependency upon the weather, agricultural production cannot quickly or easily be controlled. In addition, because they are in a competitive industry where labor and capital cannot easily be withdrawn, most farmers would continue to produce regardless of the course of prices. These factors, combined with a demand for agricultural products that is relatively inelastic in normal times, cause wide swings in farm prices and farm incomes.

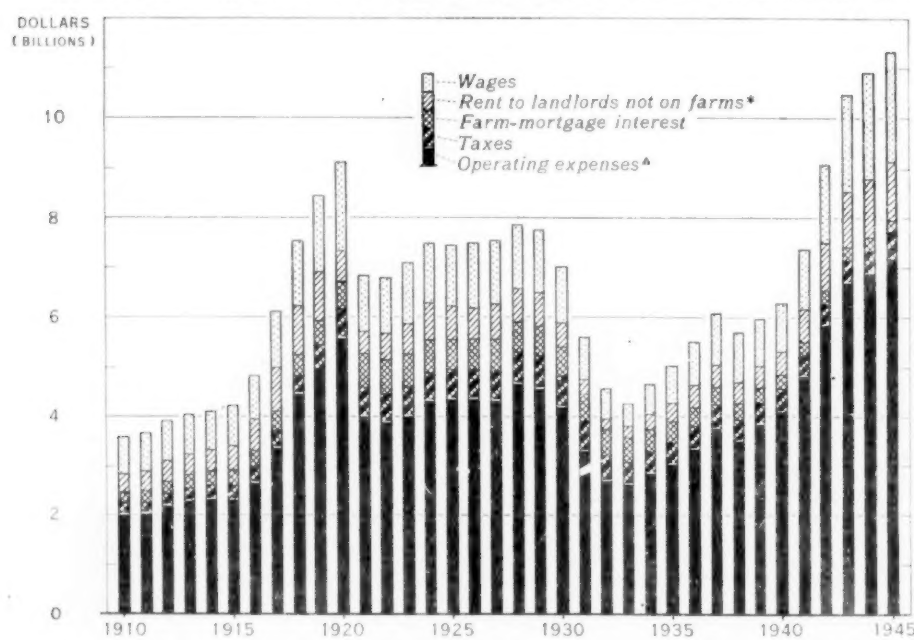
## Probable Changing Income Relationships

Returning to the immediate situation, what would be the economic condition of farmers in the unlikely event that farm prices become stabilized at or near current levels? We have seen that during the wartime upswing in prices parity levels were soon passed and farmers as a group seemed to fare increasingly well. For those who have ridden up with prices, financial success has been relatively easy. In the more recent phases of this inflationary cycle, however, prices paid by farmers have tended to increase as fast as prices received by them. In the summer of 1946, because of widespread wage boosts and the general easing of price ceilings, prices of both farm and nonfarm commodities jumped to new highs. The farm parity ratio which had declined somewhat after the peak of 123 in April 1943 again returned to that level in July of 1946. Nevertheless, agriculture

cannot hope to maintain for long the current advantageous price relationships. Moreover, the phase is being reached when lagging costs in the distribution system are catching up and causing retail prices to rise relatively faster than producers' prices. Thus, as farmers buy at retail and sell at wholesale, the ratio of prices received to prices paid may become less favorable even though the level of farm prices does not decline.

If farm prices decline, many of the favorable relationships of the early upswing would probably be reversed. Cash operating expenses of farmers increased from about 6.3 billion dollars in 1940 to nearly 11.4 billion in 1945 (fig. 2). Further increases may be recorded for the year 1946. The generally high farm incomes have not made it difficult to bear these expenditures, particularly as increased production has kept the rise in unit costs relatively lower. A large part of these farming costs, however, are fixed and would decline slowly even though farm prices and incomes dropped sharply. Regardless of production the same land, buildings, machinery, and family labor are used and the same taxes, rent, and mortgage payments must be paid. The only variable farm expenses are for hired labor, power, fertilizer, and seed. Even with these, the unit costs are "sluggish" in any downward adjustment as wages and retail prices are "sticky." In this downward phase of the cycle the ratio of prices received to prices paid would become increasingly unfavorable and would depress the purchasing power of farm income. Although it would affect all farm producers such a situation would be particularly severe for those with heavy fixed cash outlay commitments such as for debt, labor, and upkeep of buildings.

PRODUCTION EXPENSES OF FARM OPERATORS, UNITED STATES, 1910-45




* INCLUDING GOVERNMENT PAYMENTS, BEGINNING 1933
^ INCLUDING MAINTENANCE OR DEPRECIATION OF BUILDINGS AND EQUIPMENT
DATA FOR 1943 AND 1944 ARE PRELIMINARY

U. S. DEPARTMENT OF AGRICULTURE NEG. 39406 BUREAU OF AGRICULTURAL ECONOMICS

Those people who now express caution over inflated land values and unwarranted farming expansion are doing so because they have an eye to this deflationary period. This will be the stage when a drop in the value of many of the assets of the farm business may occur. It will be the period when the spread between income and outgo narrows rapidly and farmers' savings tend to shrink. The financial structure of agriculture will then be under great strain. How great this strain will be for individual farmers depends to a large extent on their position when they enter the downswing of the cycle; and this position for many farmers, in large part, will be determined by their actions in the current inflationary period.

## Investing Now in Agriculture Requires Caution

The solution of some of the long-range basic ills of agriculture can be discussed from the standpoint of investment policy. The correction of the disparity between agriculture and the rest of the economy may well involve an over-all shift of sizable amounts of capital and resources from farming to industry. A change in investment from one type of farming to another also may be part of the solution for some areas. Such investment shifts are often difficult for individual farmers to make and a detailed discussion is not attempted here. However, the question may be raised as to what course farm people should chart so as to avoid the economic difficulties caused by the shorter term cyclical movements in farm prices. With the varied circumstances in which people find themselves there may well be many answers to this question. The answer in most cases revolves around sound farm and financial management with particular reference to the investment of funds both owned and borrowed.

At this phase of the cycle any new investments, which broadly include all outlays, should meet several tests. The first of these is security of principal. If the investment is not safe from this standpoint, will the future income be sufficient to offset this risk? This is the important test that should be made in connection with the purchasing of a farm or any expansion of existing facilities. Many returning veterans, war workers, and tenants are now faced with the decision of whether or not to buy a farm. During the upswing in the early 1940's the purchase of farms at above-normal prices proved to be wise for many. The subsequent higher incomes were sufficient to more than offset the extra cost of the farm. Since then, however, land values have continued upward to new highs for this war and the period of prospective high farm incomes probably has been shortened. Becoming a farm owner at this high level, therefore, requires serious consideration. Many who are contemplating such a move might better retain their savings in the form of United States savings bonds and get into the farming business by being a hired hand or by renting a farm. The conditions for purchasing a farm several years from now may be much more favorable than at present.

Security of capital and earning capacity are likewise pertinent considerations for farm owners who are thinking of buying additional land. If such land is needed to make the home farm a more efficient unit, its purchase at a reasonable price would appear wise. In many instances, however,

an investment in improving land already owned would be better. Often one of the best ways of increasing the "size" of a farm is through heavier fertilization, drainage of wet land, and proper soil conservation practices.

Investments that are probably desirable for the largest number of farmers are those that are made for greater efficiencies in farm production. Such investments not only meet the test of security of capital but directly affect net incomes. Increased output per man is one means of coping with the problem of lower prices. In addition to land purchases and improvements indicated above as needed to provide a farm business of adequate size, the use of labor-saving machinery is important. The current high level of wages which will undoubtedly continue for some time makes labor efficiency a vital element in determining profits. If machinery is needed, an immediate investment may be appropriate as any decline in new equipment prices will probably be slow in coming. Improvements to and rearrangement of buildings also are often methods of reducing labor costs and increasing net incomes. For a better balanced agriculture in some areas, more and better livestock are needed. Prices of most livestock classes, however, are at high levels and the test of loss of value vs. future income must be made before investing in such capital. The vulnerability of livestock to severe price declines would seem at this time to call for a reduction of inventories to more normal levels for some farmers.

A second test of a sound or unsound investment is whether it results in continuing costs that are fixed even though incomes may decline. Fixed charges in periods of low incomes have contributed directly to lowered standards of living, widespread deterioration of land and buildings, and loss of farms through failure to meet tax and debt payments. For instance, a heavy expansion in farm buildings would cause an increase in the annual expenses for upkeep, taxes, and insurance which are a charge to income regardless of the course of farm prices and farm production. Of a more serious nature, however, are the fixed costs which result when extensive credit is used in financing investments. Of all the factors causing financial trouble after World War I this was one of the most important. Not only is it wise to refrain from incurring excessive debts at this time but it is also wise to reduce existing obligations to safe levels. Payment of debts may be considered as one type of investment that often pays the greatest dividends. Using borrowed funds to help finance the desirable investments indicated above is justifiable provided the risk of possible later repayment difficulties is carefully considered.

Although the farm business will likely have immediate claim on a large share of the funds for investment, the continuance of a favorable financial position from a long-range viewpoint involves for many farm people the maintenance of sizable reserves. These savings will be needed when costs come down and farmers can make the investments that were postponed because of high prices. Reserves may also be needed to cover the extra risks of this phase of the business cycle, education of children, and future retirement needs. Lastly, the current good financial condition of large numbers of farmers should make possible an increased investment in better living. Investment now made for improved health, modern home conveniences, and travel will continue to give returns in enjoyment regardless of the course of farm prices.

## FARMERS' TAXES

Gerhard J. Isaac

Taxes are increasing in importance in the financial planning of the citizenry. Over the years taxes have increased greatly in aggregate amount and the relative importance of various types of taxes has changed. The significance of these developments to any one economic group like farmers depends upon such things as changes in the relationship between the taxes resting upon it and upon the services received by it from the various levels of government. This discussion is limited to a review of the available evidence as to the amounts of and trends in the various taxes that directly affect agriculture and to a brief consideration of the significance to agriculture of the changes in taxes that have taken place in recent decades.

### Property Taxes

Historically, the property tax has been the chief tax levied against agriculture. This followed rather naturally from the nature of the farm enterprise and from the fact that the property tax held a dominant place in the revenue systems of State and local governments. Property taxes still are the most important single source of revenue for local governments, although their importance among State revenues has been sharply reduced in the last two decades. Over the years the property tax has become primarily a tax upon real estate and, to a certain extent, upon tangible personalty. As the wealth of agriculture consists so largely of such property, it is not surprising that the property tax has continued to loom large in the farm tax picture.

Levies on farm property amounted to about $525,000,000 in 1945. This compares with an all-time high of $640,000,000 in 1929 and a depression low of $420,000,000 in 1934. During the years immediately preceding World War II and continuing through most of the war years, farm property taxes fluctuated within narrow limits. This is in contrast to developments in the years preceding and during World War I.

Farm property levies during the decade preceding World War I followed a consistently upward trend. During the war years the annual increases in these taxes were even greater than were those for earlier years. The general upward movement during the first two decades of this century can be explained to a large extent in terms of financing an expanding pattern of governmental services. The sharper increases during the war years reflect in addition the effect of a rising general price level.

A very moderate rate of increase characterized the trend of farm property tax levies during the decade of the 1920's. The general price level was down from its wartime peak and other sources of revenue were being exploited. Particularly notable was the spread of gasoline taxation.

Influences associated with the depression brought about a substantial reduction in property taxes between 1929 and 1934. During the decade following, these levies varied little from year to year, even when the country became involved in another world war. One reason for this stability was that many States were depending on other sources for significant portions of their revenues. For example, many States found that their revenues from taxes on retail sales and income almost automatically increased as national income and prices rose during the war. And this occurred despite the shortages in numerous categories of consumer goods.

Another factor which tended to keep down property taxes in the World War II period was the curtailment of many activities of local governments because of material and manpower shortages. With the end of hostilities there has come great pressure for restoring and expanding services and, as a corollary, for additional revenues. Many government units are undertaking to catch up on their deferred maintenance and construction activities. Increased costs for both materials and labor are exerting an upward pressure on budgets. As one result farm property tax levies increased by about one-sixth between 1943 and 1945.

## Income Taxes

The payment of Federal income taxes has been essentially a wartime phenomenon so far as the mass of farmers is concerned. During the high income years of the World War I period many farmers paid them but the effective tax rates under the then relatively new law were very modest compared with those now in use. During the inter-war period farmers were touched very little by the income tax. Farm income was much less, tax rates were low, and exemptions were generous. As recently as 1939 the Bureau of Internal Revenue reported only about 140,000 farm businesses in the "farming" category in its classification of individual tax returns by industries. By 1941, however, the farming category contained a total of over 1,160,000 returns. Later figures are not available but it appears likely that well over half of the 6 million farmers in the country made income tax payments to the Federal Government in one or more recent years.

The tabulations of the Bureau of Internal Revenue do not show the amounts of income taxes paid by various economic groups. This has made it necessary to resort to other data in order to get some idea as to the "general dimensions" of income tax payments made by farmers. On the basis of available data on income distribution and tax payments for sample groups of farmers it is tentatively estimated that Federal income tax payments by farmers in recent years were about as follows:

| Year paid | Amount paid | Year paid | Amount paid |
|---|---|---|---|
| 1941 | $15,000,000 | 1944 | $200,000,000 |
| 1942 | 50,000,000 | 1945 | 600,000,000 |
| 1943 | 425,000,000 | 1946 | 600,000,000 |

This phenomenal growth in payments by farmers since 1941 resulted from the sharp wartime increases in rates and reductions in personal exemptions and the concurrent appearance of a high level of farm income. The apparent decrease in payments in 1944 is due primarily to a change in the law governing the timing of tax payments by farmers. Beginning with 1944 the due-date for farmers' declarations of estimated tax was changed from December 15 of the taxable year to January 15 of the year following.

State income taxes are relatively much less important in the farm tax picture than are Federal income taxes. Fewer than two-thirds of the States employ such taxes and, compared with the Federal tax law, the exemptions are high and the rates are low. The most common amount of exemption for the head of a family is $2,500 and for dependents, $400. The most frequent rate for the first bracket of taxable income is 1 percent and the maximum for the top bracket exceeds 7 percent in only a very few States. Farmers' payments of State income taxes probably did not exceed $40,000,000 even during the high-income war years.

## Automotive Taxes

Taxes and license costs arising out of the ownership and use of motor vehicles continue to make up a sizable portion of farmer contributions to the support of government. Before World War I rather modest State license fees on automobiles and trucks constituted the main item in this category. State taxation of gasoline began in a small way in 1919. The need for revenue to finance the construction and maintenance of improved and expanding highway systems provided the setting for more and more use of these taxes during the inter-war period. By 1929 all States were taxing gasoline and the rates were gradually increasing. The Federal Government began to tax gasoline in 1932 and from 1942 through 1945 it imposed a use tax on automobiles and trucks.

In 1942 farmers accounted for about $220,000,000 in automotive taxes. This includes automobile and truck licenses, drivers' permits, Federal and State gasoline taxes, and the Federal use tax. Not included here are the levies against motor vehicles under general property tax laws as such levies are included with property taxes. In more than one-third of the States, motor vehicles are exempt from property taxes as specific provision is made that the license fees are in lieu of any such taxes.

During the war years the rationing of gasoline, the general unavailability of new cars, and the movement of population away from farms were factors tending to reduce the aggregate of farmers' automotive taxes. The influence of these factors was partially offset by the imposition of the new Federal use tax. As a result, the net decline for this group of taxes was only about 10 percent from the peak of 1942. From 1943 through 1945 the total amount for this classification remained fairly constant at about $200,000,000 for each year.

## Other Taxes

Miscellaneous taxes paid by farmers include poll taxes and a wide variety of excises which apply to both their business and their personal transactions. Satisfactory quantitative estimates are largely lacking but probably it is safe to say that the amounts are smaller than are those for the categories previously discussed.

The most important taxes in the miscellaneous category probably are those commonly classed as State general retail sales taxes. About half the States now employ such taxes but the rates and administrative details vary widely. The most common rate used is 2 percent and a few States go as high as 3 percent. In a number of States farmers receive special consessions. Fertilizer, feed, seeds, and other goods used in the farm business often are exempt. The exemption of food sales as provided by some States, on the other hand, probably is of less benefit to farmers who raise part of their personal food supply than it is to nonfarmers who purchase virtually all their food.

The growth of retail sales taxes is largely a development of the 1930's. During the depression years many States adopted temporary sales taxes to supplement or to replace some of the revenue previously provided by the property tax. These sales taxes usually were found to be very productive of revenue and after a few years quite generally were made part of the permanent tax systems of the States, although in a number of cases the laws were repealed or permitted to expire.

Farmers may have paid as much as $50,000,000 annually in State general retail sales taxes in the last few years. In addition, a related group of selective sales taxes undoubtedly accounted for the payment of substantial sums. The selective sales, or excise, taxes referred to here are levied by both the Federal and the State governments on a wide variety of subjects including tobacco products, alcoholic beverages, admissions, transportation, and communications.

An impost of decreasing importance is the poll tax. Although this is one of the oldest forms of taxes used in this country, it has lost most of its fiscal significance and by many is considered undesirable for a number of nonfiscal reasons. It is doubtful whether farmers paid any more than $5,000,000 in poll taxes in any recent year.

## Significance of Developments

Developments in the farm tax situation over the last three decades have significance both because of the changes in the aggregate contribution to government by farmers and because of the change in the types of taxes through which this contribution is made. Without attempting anything like an exhaustive examination of the subject, brief reference will be made to some of the questions that arise in the process of evaluating the changes which have taken place.

It is apparent that farmers are paying much more to government now than they did 30 years ago. Of itself this is neither good nor bad. More important is whether it is associated with an over-all change in the cost of government or with a change in the distribution of government costs among various economic groups.

Even the most cursory examination reveals that government services have expanded tremendously during the last three decades. Highway systems have been enlarged and improved, school programs are more varied and costly, assistance to the aged, indigent, and unemployed has been increased, and the Federal Government recently has spent large sums first to combat depression and then to wage a costly war. All these expenditures are in addition to those for a wide variety of other services provided for farmers and others by the Federal, State, and local Governments. In short, the long-time trend clearly has been in the direction of providing more and more services through the agency of government.

A final answer to the question as to the distribution of the costs of government among various economic groups would require analysis of the extent to which the burden of taxes is shifted to others by those who pay them. Furthermore, such analysis would have to be repeated at frequent intervals to take account of changes in those economic factors which determine the extent and direction of the shifting of taxes. In view of this situation no attempt is made here to develop a quantitative evaluation of this sort. Instead, attention will be given to some of the characteristics of the taxes discussed at the outset and that are particularly significant to farmers.

The property tax is very much in the nature of a "fixed cost" for the farm owner. By this is meant that in the short run property taxes are imperfectly correlated with fluctuations in farm income. Each year the farmer has a bill for property taxes which he is expected to pay in cash regardless of production or price conditions. Failure to pay when due generally results in heavy penalty and interest additions to the tax bill, and even possible eventual loss of title to the farm.

It is generally assumed that in the long run property taxes are capitalized and reflected in the prices of farms. That is, the price paid for a farm tends to be the present value, at the going rate of return, of the expected future income from the farm after deducting all expenses including taxes. To the extent that this is true and taxes remain relatively stable it may even be said that property taxes are not an economic burden on the owners of farms who acquired them at prices which assumed a continuance of the then existing level of taxes. The burden of an increase in taxes can be said to fall upon present owners of farms if the increase is such that it reduces the returns from farming and does not comparably reduce the returns from investments generally. That is, as the net return of the present owner is reduced, the value of the farm is reduced by the amount of the capitalized value of the tax increase. However, if the farm changes hands and the purchaser pays such a reduced price, he is in the same position relative to the return on alternative investments as the previous owner was before the tax increase.

The income tax, by way of contrast with the property tax, normally is fairly directly correlated with income changes. But over a period that covers some years with negative income (net loss) and some with positive

income (net gain) the correlation is less close or is even negligible. That is, the individual with negative income does not have a negative tax except to the extent that business losses are carried forward or back and are used to reduce taxes in years of positive income. But it is still correct to say that in general, under an income tax, farmers' tax liability tends to fluctuate with income. Considering the tax system as a whole it can be said that the income tax tends to offset some of the relative inflexibility of the property tax.

Among the automotive taxes the license and permit charges are much like the property tax in that they are not related either to income or to extent of use of the vehicles. The gasoline tax on the other hand is for the most part directly related to the consumption of gasoline, which in turn is a crude measure of highway use. But gasoline used in farm tractors generally is either exempt from State gasoline taxation or the tax is refundable. This, however, is not true of the Federal gasoline tax which applies regardless of the use to which the fuel is put.

There is an implied assumption here that all gasoline taxes are paid by the consumers. Technically, however, the Federal gasoline tax and perhaps half of the State gasoline taxes are levied upon others than the retail purchasers, even though it is common practice among dealers to show Federal and State taxes as separate items when posting prices as though retail purchasers were paying them. Thus, it would be more precise to say that the discussion covers gasoline taxes arising out of the use of motor vehicles on farms.

The miscellaneous group of taxes consists mostly of various kinds of excises. The main immediate effect on farmers of such taxes is to reduce the effective purchasing power of their income. That is, the goods and services obtainable with a given income tend to be reduced by the amount that goes for sales or other excise taxes. In addition, selective excises may result in changes in buying patterns due to the substitution of untaxed goods for taxed goods whenever there is a choice.

By way of summary it can be pointed out that the outstanding changes in the farm tax situation over the last 30 years are, (1) the great increase in the amount of taxes paid by farmers and, (2) the increased diversification in the tax systems through which these payments are made. The increase in aggregate payments reflects primarily increased expenditures by all levels of government. The increased diversification within tax systems is reflected in changes in the relative importance of various taxes paid by farmers. The proportion of the farmers' tax load represented by the relatively inflexible property tax has been sharply reduced. Farmers' taxes that have increased in importance generally are of the types which tend to vary in aggregate amount with income. Although they obviously reduce the farmer's effective purchasing power they do not entail the direct threat of loss of his farm as is true of the property tax. In the absence of extensive analyses of the ultimate incidence of taxes upon various economic groups it is not possible to state categorically that the farmer is or is not paying a "proper" share of the tax load now, or whether he did so 30 years ago. But it seems clear that generally speaking the increased diversification has tended to make it easier for the farmer to meet his tax obligations.

# LIFE INSURANCE PLANNING BY FARM FAMILIES

Ralph R. Botts

## Deciding on the Need

Life insurance may be used by the farmer as well as the city man to increase his immediate estate and add to the security of his family if he dies, provided he has the income to pay for it. Through the insurance he can provide for the payment of debts and taxes and for a tide-over sum that will be helpful to his family in continuing the farming operations in the event of his death. He can, if he wishes, provide that all or part of his insurance be paid to his beneficiary as a monthly income, after he is gone. While it is usually too costly to carry insurance in sufficient amount to fully replace the future earnings of the insured, another purpose of life insurance should be to replace in part at least the income of the principal breadwinner of the family. As with many other purchases, the farmer can pay for this protection "on time," out of current farm income.

The amount of life insurance a farmer can buy depends first of all upon what income he has above his immediate needs. How much of what he can afford ought he to buy? Should the insurance all be on his own life or partly on the lives of members of his family? Answers to these questions depend on many things. Among them are the amount of the family debts, the cash reserve the farmer has or his ability to obtain ready cash, his other investments, his age, the number and age of his dependents, and the cost of a funeral in his neighborhood.

The farm owner's situation usually differs from that of the urban worker, as the farm usually continues in the possession of the family after the death of the farmer and can be operated by the children or by the widow with hired help. A continuation of some income from the farm is thus usually assured even after the passing of the farmer. The tenant farmer's and sharecropper's situations are more like those of the urban worker.

Perhaps the surest way to decide on the amounts of insurance, if any, that should be carried on individual members of the farm family is to consider what would happen, in each case, if the member died. This should be considered for one member at a time. If the family will probably be able to raise the cash to meet the estimated cost of a funeral for each member as the necessity comes along, then perhaps the insurance should be carried only on the principal breadwinner.

## Types of Policies

There are many kinds of life insurance policies, but the four basic types are (1) Term insurance, renewable or convertible, (2) Ordinary life, (3) Limited-payment life, and (4) Endowment insurance.

(1) Term insurance features protection and is the cheapest form of insurance for a short time. It is useful if one needs a lot of protection for just a few years. The same premium is paid each year for a definite number of years.1/ If this policy is renewed, the annual premium will be increased at each renewal by reason of the higher age. During the time that the policy is in force it can usually be changed to one of the other forms by paying the difference in premium for the age at that time.

(2) The ordinary life policy calls for the same premium payment every year as long as one lives.1/ The ordinary life policy is usually the best form of insurance for those who are interested primarily in lifetime protection and who have other ways of investing their money, as most farmers do.

(3) The 20-payment life or other limited-payment type costs somewhat more a year.1/ What one really pays is the current cost of protection plus enough more so that when put at interest by the company it will amount to a sum large enough at the end of 20 years (or other limited-payment period) to pay the future premiums. This kind of policy is used by those who want to pay up their insurance in full before they are too old or before their earning power begins to decline.

(4) The endowment policy combines protection for a specified term of years with a considerable element of investment and it, therefore, costs more. At the end of 20 years, or other specified period, the policy has a cash value equal to its face amount. Thus, if one takes out a 20-year endowment policy for $1,000 he pays a premium large enough to carry the insurance and build up an investment which at the end of the 20 years will represent savings of $1,000.1/ He can get this sum in cash or have it paid to him in installments. This may be a good form of insurance for a salaried man who does not have many good ways of investing his savings or who is otherwise not inclined to save money. If a farmer is thrifty he usually does not have to depend upon paying insurance premiums to save money; and he usually has a good place to invest his money right at home in his own business.

By and large, perhaps it may be said that the best life insurance for the average farmer without a mortgage and without children is ordinary life insurance. He may reasonably expect to be able to continue his premium payments after, say, 20 years; but even if circumstances prevent him from

1/ The dividends which are usually allowed in the case of the mutual company serve to reduce the amount of the annual payment, year by year, so that the "level" premium decreases somewhat.

doing so, he can still have the policy go on for about half its face value without paying any more premiums. A farmer with children and a mortgage on the place probably should have enough 5- or 10-year term insurance on himself (of the renewable type) to pay off the mortgage and help educate the children, in addition to his ordinary life insurance. In other words, he should have ordinary life insurance for permanent needs and term insurance for temporary needs - to pay off debts and educate the children - in case of his early death.

## Policy Provisions

Perhaps the two most important provisions of a life insurance policy pertain to (1) the disposition to be made of the insured's "reserve" if he drops the policy, and (2) how the proceeds of the policy shall be disbursed if the insured dies. These provisions are discussed below.

Nonforfeiture values.- As mortality rates increase with age, a level premium involves "extra" payments in the early years of a policy in order to offset the "under" payments later on when the annual mortality costs exceed the level premium. These extra payments are accumulated with interest by the company as reserves. These reserves may be thought of as nonforfeiture values or credits to individual policyholders which may be recovered if and when their policies are dropped.

The nonforfeiture value of a policy is the amount of the reserve less (usually) a small surrender charge, which is necessary to take care of unliquidated expenses. As in the case of the reserves, these nonforfeiture values vary according to the number of years the policy has been in force. Any amount up to the nonforfeiture (or cash surrender) value of a policy - representing the insured's savings from the extra payments in the early years of a level-premium policy - may be borrowed at interest from the company.

An important part of a policy is what will happen to the accumulated reserve in case of nonpayment of premiums. After the policy has been in force 3 years, or 2 years in the case of some companies, it will have a cash surrender value. This value may be obtained as a lump sum or may be used to buy insurance. The ways of getting the reserve out of a policy in the form of insurance are: (1) As paid-up insurance for a reduced amount, (2) as extended-term insurance, and (3) as a premium loan. These options are described below.

Under the "paid-up insurance" option the cash value is used to purchase as much paid-up insurance of the same kind and amount as it will buy. This lesser amount is then kept in force for life, without further payment of premiums. Under the "extended term" option the surrender value is used to pay for a term policy in the same amount as the original policy for as many years as it will pay for. Under the "premium loan" option the surrender value is drawn upon by the company to pay premiums as they are defaulted, for as long as the fund lasts. Then the insurance ceases.

Optional methods of settlement.- Practically all policies now provide for a choice between the lump-sum payment of the face amount of the policy to the beneficiary upon the death of the insured and settlements which guarantee a periodic income or a combination lump-sum payment and periodic income. If one of these optional settlements is selected by the insured, he may change it while he lives; but his choice cannot be altered by the beneficiary after his death. If the insured has not previously selected one of the ways of settlement, his beneficiary may choose one of them at the proper time instead of a lump-sum payment.

These options enable the insured to look beyond his death and arrange for the method of payment he thinks best. Furthermore the proceeds of an insurance policy, whether paid in a lump sum or periodically (if at the insured's election) are not subject to the Federal income tax. Endowment policy payments received during the lifetime of the insured are also excluded until payments equal the cost of the policy. The insurance company makes no direct charge for its service as an executor, but merely merges the extra expense of these settlements in the general expenses of the company. And as the fund is also merged with the entire investments of the company, the risk of loss is minimized through diversification. The options are also available to an insured who lives to see his endowment policy mature and who wishes to receive the face value, along with interest, as a retirement income payable periodically to himself; or he may let it accumulate at interest to be paid later as a lump sum or in installments to his beneficiary. The options are also available (with limitations) to those who cash their policies for their surrender value and who desire to receive their money in installments rather than as a single payment.

The principal optional ways of settlement that are of interest to farmers are: (1) Payment of the face value, with interest, in equal installments for a selected number of years, the amount of the installments depending on the number of years selected, (2) payment of a somewhat smaller sum periodically for the life of the beneficiary but guaranteed for a specified number of years even though she (or he) dies before the end of that period, (3) payment of equal installments for some selected amount until the proceeds of the policy, together with interest, are exhausted, and (4) a life income, payable monthly or otherwise, as long and only as long as the beneficiary lives, in such amount as the surrender value with interest will buy.

Under (1) and (3) the payments are for a fixed period of years and are continued, as payments to the beneficiary's estate, even though the beneficiary should die before the expiration of the term. However, under (2) and (4) the payment period depends partly or entirely upon the length of time the beneficiary lives; therefore the amounts to be paid periodically under these options depend on the age of the beneficiary at the time payments start. It will be noted also that (2) and (4) are the same except that under (2) there is a definite period of guaranteed payments, usually 10 or 20 years, in which payments are to be continued to the end of the period even though the beneficiary should die during that time, whereas under (4) the payments cease immediately upon the death of the beneficiary. Because of the guaranteed payment period, a given surrender value will buy less income under option (2) than under option (4). The difference increases with increased age of the beneficiary.

Table 1 may be used in connection with settlement options (1) and (3) to determine, for companies allowing 3 percent interest on money left with them, the amount of insurance needed to provide a desired monthly income for a specified period of years. If, for example, $30 a month will be needed for the first 8 years after the death of the insured, the table indicates that $2,568 worth of insurance is required. A policy for $2,500 will approximately meet the need. If a man already has $5,000 worth of insurance and wishes to know the monthly income his family will draw from it after his death, if it is "stretched out" over 10 years, he will find from the table that it will provide approximately $50 a month.

The appropriate option may be selected when the insurance is obtained, or it may be designated later. The agent can handle the matter or one can write directly to the company about it. The procedure is to send the policy to the company for endorsement of the agreement or attachment of a form setting forth the agreement.

## An Insurance Program

The problem.- A farmer, aged 35, decides that in the event of his death his family would need about $1,000 to pay burial and other expenses, such as debts and taxes, and leave a small sum to tide over until other plans can be made. He feels that they also should have about $30 a month extra until his youngest boy is out of college - which will be in about 10 years. In addition, he wants enough insurance to pay off a $3,000 mortgage on the place, running 8 years, which draws 5-percent interest and requires a $464 annual installment. This farmer thinks that if he lives he can meet the mortgage installments as they come due and pay the boy's way through the State College. But if he dies he wants to have his family provided for as outlined.

A possible solution.- Each year that the farmer lives to make payments on his mortgage, its balance is reduced. So also is the interval of time during which the $30 monthly income is needed, before the boy graduates from college. Therefore, the financial needs of the family - except for the $1,000 required for burial expenses, short-term debts and taxes - diminish each year the farmer lives. This fact is set out in table 2.

A $1,000 ordinary life insurance policy meets the need for a long-term reserve fund. The net annual premium (for companies using the American Experience mortality table and a 3-percent interest rate) is $21.08 per $1,000. If the company "loads" its net premium by one-third for necessary overhead expenses, this policy would cost about $28 per year.

From the table it appears that about $6,000 of 5-year term insurance, in addition to the $1,000 of ordinary life insurance, will be needed for the immediate future. If the farmer lives out the 5-year term, he can renew his term insurance for another 5 years for $2,500. It will be noted that each year the farmer lives during each 5-year term, the margin between the face amount of the insurance and his insurance needs increases. Evidently this cannot be avoided except by obtaining yearly renewable term

Table 1.- Amount of insurance needed to provide a desired monthly income for the number of years shown (3 percent interest used.) 1/

| Desired monthly income | Number of years | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 |
| Dol. | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. |
| 10 | | | | | | | | | | 1,040 | 1,129 | 1,214 | 1,297 | 1,377 | 1,456 | 1,532 | 1,605 | 1,677 | 1,747 | 1,814 |
| 15 | | | | | | | 1,140 | 1,284 | 1,424 | 1,560 | 1,694 | 1,821 | 1,945 | 2,066 | 2,184 | 2,298 | 2,408 | 2,516 | 2,620 | 2,721 |
| 20 | | | | | 1,117 | 1,321 | 1,519 | 1,712 | 1,899 | 2,080 | 2,259 | 2,428 | 2,594 | 2,755 | 2,911 | 3,063 | 3,211 | 3,354 | 3,493 | 3,628 |
| 25 | | | | 1,133 | 1,396 | 1,651 | 1,899 | 2,140 | 2,374 | 2,600 | 2,824 | 3,035 | 3,242 | 3,444 | 3,639 | 3,829 | 4,014 | 4,193 | 4,367 | 4,535 |
| 30 | | | 1,035 | 1,360 | 1,675 | 1,982 | 2,279 | 2,568 | 2,848 | 3,121 | 3,388 | 3,641 | 3,891 | 4,132 | 4,367 | 4,595 | 4,816 | 5,031 | 5,240 | 5,443 |
| 35 | | | 1,207 | 1,586 | 1,955 | 2,312 | 2,659 | 2,996 | 3,323 | 3,641 | 3,953 | 4,248 | 4,539 | 4,821 | 5,095 | 5,361 | 5,619 | 5,870 | 6,113 | 6,350 |
| 40 | | | 1,380 | 1,813 | 2,234 | 2,642 | 3,039 | 3,424 | 3,798 | 4,161 | 4,518 | 4,855 | 5,187 | 5,510 | 5,823 | 6,127 | 6,422 | 6,708 | 6,987 | 7,257 |
| 45 | | 1,050 | 1,552 | 2,040 | 2,513 | 2,973 | 3,419 | 3,852 | 4,273 | 4,681 | 5,083 | 5,462 | 5,836 | 6,199 | 6,551 | 6,893 | 7,225 | 7,547 | 7,860 | 8,164 |
| 50 | | 1,167 | 1,725 | 2,266 | 2,792 | 3,303 | 3,799 | 4,280 | 4,747 | 5,201 | 5,647 | 6,069 | 6,484 | 6,887 | 7,279 | 7,659 | 8,027 | 8,386 | 8,733 | 9,071 |
| 55 | | 1,283 | 1,897 | 2,493 | 3,072 | 3,633 | 4,179 | 4,708 | 5,222 | 5,721 | 6,212 | 6,676 | 7,133 | 7,576 | 8,006 | 8,424 | 8,830 | 9,224 | 9,607 | 9,978 |
| 60 | | 1,400 | 2,070 | 2,720 | 3,351 | 3,963 | 4,558 | 5,136 | 5,697 | 6,241 | 6,777 | 7,283 | 7,781 | 8,265 | 8,734 | 9,190 | 9,633 | 10,063 | 10,480 | 10,885 |
| 65 | | 1,517 | 2,242 | 2,946 | 3,630 | 4,294 | 4,938 | 5,564 | 6,171 | 6,761 | 7,342 | 7,890 | 8,429 | 8,953 | 9,462 | 9,956 | 10,436 | 10,901 | 11,353 | 11,792 |
| 70 | | 1,633 | 2,414 | 3,173 | 3,909 | 4,624 | 5,318 | 5,992 | 6,646 | 7,281 | 7,906 | 8,497 | 9,078 | 9,642 | 10,190 | 10,722 | 11,238 | 11,740 | 12,227 | 12,699 |
| 75 | | 1,750 | 2,587 | 3,400 | 4,188 | 4,954 | 5,698 | 6,420 | 7,121 | 7,801 | 8,471 | 9,104 | 9,726 | 10,331 | 10,918 | 11,488 | 12,041 | 12,578 | 13,100 | 13,606 |
| 80 | | 1,867 | 2,759 | 3,626 | 4,468 | 5,285 | 6,078 | 6,848 | 7,596 | 8,321 | 9,036 | 9,710 | 10,375 | 11,020 | 11,646 | 12,254 | 12,844 | 13,417 | 13,973 | 14,513 |
| 85 | 1,006 | 1,983 | 2,932 | 3,853 | 4,747 | 5,615 | 6,458 | 7,276 | 8,070 | 8,842 | 9,601 | 10,317 | 11,023 | 11,708 | 12,374 | 13,020 | 13,647 | 14,256 | 14,847 | 15,421 |
| 90 | 1,066 | 2,100 | 3,104 | 4,079 | 5,026 | 5,945 | 6,838 | 7,704 | 8,545 | 9,362 | 10,165 | 10,924 | 11,672 | 12,397 | 13,102 | 13,785 | 14,449 | 15,094 | 15,720 | 16,328 |
| 95 | 1,125 | 2,217 | 3,277 | 4,306 | 5,305 | 6,275 | 7,217 | 8,132 | 9,020 | 9,882 | 10,730 | 11,531 | 12,320 | 13,086 | 13,829 | 14,551 | 15,252 | 15,933 | 16,593 | 17,235 |
| 100 | 1,184 | 2,333 | 3,449 | 4,533 | 5,585 | 6,606 | 7,597 | 8,560 | 9,494 | 10,402 | 11,295 | 12,138 | 12,968 | 13,775 | 14,557 | 15,317 | 16,055 | 16,771 | 17,467 | 18,142 |

1/ Amounts of insurance to provide monthly income not shown in table may be calculated by combining amounts which are shown. Thus: If a monthly income of $125 for 5 years is desired, the amount of insurance necessary to provide it will be the sum of the amounts necessary to provide $80 per month and $45 per month, or $4,468 plus $2,153, which equals $6,981. Other amounts of income not shown in table may be computed in like manner.

insurance for the exact amount of protection needed each year. One-year term insurance is not always available, and usually it cannot be obtained in odd amounts. But in case of the death of the insured, this margin of income above immediate needs will add further to the financial security of the family as it will amount to substantial sums if death occurs near the end of either 5-year term.

Table 2.- Amount of insurance required to meet changing obligations and "fixed" expenses if farmer dies within 10 years

| Presumed years elapsing before death of farmer | Balance on mortgage 1/ | Purchase price of $30 monthly income until boy is out of college 2/ | Burial expenses, short-term debts, taxes, etc. 3/ | Total amount of insurance actually required (2) plus (3) plus (4) |
|---|---|---|---|---|
| (1) | (2) | (3) | (4) | (5) |
| Number | Dollars | Dollars | Dollars | Dollars |
| 0 | 3,000 | 3,121 | 1,000 | 7,121 |
| 1 | 2,686 | 2,848 | 1,000 | 6,534 |
| 2 | 2,356 | 2,568 | 1,000 | 5,924 |
| 3 | 2,010 | 2,279 | 1,000 | 5,289 |
| 4 | 1,646 | 1,982 | 1,000 | 4,628 |
| 5 | 1,264 | 1,675 | 1,000 | 3,939 |
| 6 | 863 | 1,360 | 1,000 | 3,223 |
| 7 | 442 | 1,035 | 1,000 | 2,477 |
| 8 | 0 | 700 | 1,000 | 1,700 |
| 9 | 0 | 355 | 1,000 | 1,355 |
| 10 | 0 | 0 | 1,000 | 1,000 |

1/ Interest at 5 percent; annual installments, $464.
2/ See table 1.
3/ It is assumed that certain expenses (which are called "fixed"), such as funeral expenses of the insured, short-term debts, and a tide-over sum for the family during the adjustment period, can be met from a $1,000 ordinary life policy. This insurance will still be needed after the 10-year period.

The net annual premium for 5-year term insurance at age 35 for companies using the American Experience mortality table and a 3-percent interest rate is $8.97 per $1,000, or $53.82 per year for $6,000 worth of insurance. If the insurance company adds one-third of the net annual premium to the $53.82, as a "loading" charge, to pay acquisition and other expenses, the gross annual level premium would amount to about $72 each year for the first 5 years, as shown in table 3. If one policy for $6,000 were taken, a lump-sum payment of $3,000 could be selected to pay off the mortgage, and the remaining $3,000 could be made payable as a $30 monthly income for about 10 years. Obviously, each year the farmer lives during the term of the policy adds another year to the time after the boy graduates during which the $30 monthly-income payments will be received.

Table 3.- Summary of kinds and amounts of insurance under illustrative program, and estimated annual costs, by 5-year age intervals and at age 45 and thereafter

| Attained-age group and kinds of insurance | Amount of insurance | Estimated annual cost |
|---|---|---|
| | Dollars | Dollars |
| Age 35-39: | | |
| Ordinary life insurance . . . . . . . . . . . . | 1,000 | 28 |
| Term insurance . . . . . . . . . . . . . . . . | 6,000 | 72 |
| Total . . . . . . . . . . . . . . . . . . . . | 7,000 | 100 |
| Age 40-44: | | |
| Ordinary life insurance . . . . . . . . . . . . | 1,000 | 28 |
| Term insurance . . . . . . . . . . . . . . . . | 3,000 | 40 |
| Total . . . . . . . . . . . . . . . . . . . . | 4,000 | 68 |
| Age 45 and over: | | |
| Ordinary life insurance . . . . . . . . . . . . | 1,000 | 28 |

[Here term insurance has been added to an ordinary life policy to obtain the protection desired. When such insurance is sold under one contract it is called a "family maintenance" policy. Under it, as in the illustration, the income is payable for a fixed number of years after death. If the insured lives to reduce the debts and also the period during which the monthly income is desired for the beneficiary (until graduation of the son in the example), then more protection than necessary is provided in the later years of the contract period.

Actually, some companies will sell a "family-income" policy which combines yearly term insurance, in reducing amounts, with ordinary life insurance so that at death a monthly income is payable to the beneficiary for the unexpired period (until the son graduates) and in addition a lump sum (to pay off the balance on the mortgage). As the period during which the payments are to be made is constantly diminishing, there is less protection later than at first, and the premium is likewise less than under either the "family-maintenance" policy or under a program which combines term insurance and ordinary life in separate policies. The plan of combining term with ordinary life insurance in separate policies has been used in the illustration because it illustrates simply and adequately the flexibility of insurance in meeting changing needs.]

An alternative would be to obtain two separate 5-year term policies, each for $3,000, using the lump-sum settlement option for one and the monthly-income option for the other. There is a small saving in paying premiums annually or semi-annually rather than quarterly. By having two policies, premiums may be made payable annually but on different dates.

The annual cost of insurance per $1,000 for any type policy is the same for any age whether one $6,000 policy is obtained or two are obtained for $3,000 each.

After the first 5 years the term insurance could be renewed for $3,000, making $1,300 available immediately upon death of the insured. A monthly-income settlement option could be selected for distribution of the remaining $1,700. The $1,300 to be paid immediately would more than pay the remaining debt, which by this time will have been reduced to $1,264, and the $1,700 would buy a monthly income of $30 for about 5 years (table 1), beginning on the date the insured dies, if this occurs during the 5-year term.

For companies using the American Experience mortality table and a 3-percent interest rate, the net annual premium for 5-year term insurance at age 40 is $9.96 per $1,000, or $29.88 for $3,000 of insurance. If "loaded" by one-third for necessary operating costs, the premium would be about $40 each year during this second 5 years.

If the farmer died in the middle of the ninth year, for example, the mortgage would have been paid off and the widow would have the $1,300 which was provided at the beginning of the last 5-year term for payment of the mortgage, and this money could be left with the company to draw interest and be paid as a monthly income. Reference to table 1 shows that $1,377 left with a company that pays 3 percent will buy an additional monthly income of $10 for 14 years, or $1,321 will buy a monthly income of $20 for 6 years. The $1,300 will therefore buy only slightly less than these monthly incomes for the same periods.

In this case the farmer's widow would have not only the $30 a month for about 5 years, provided by the $1,700 under the option selected by the farmer, but would have an additional monthly income under the same option selected by her when the policy matured, instead of a lump-sum payment which would be no longer needed to pay off the mortgage.

At the end of the 10-year period this farmer's ordinary life policy will have a cash-surrender value of about $145, and if he lives 20 years its value will have increased to about $325. Amounts up to these values may be borrowed on the policy without surrendering it. The operation of the level-premium principle thus creates a small reserve for the farmer which he may draw on in an emergency if he lives. A rate of 5 or 6 percent is usually charged, however, in connection with policy loans.

Suppose that the farmer lives 20 years, and no longer cares to pay premiums, or he no longer needs the full $1,000 of protection under the ordinary life policy. The table below indicates that at age 55 each $1 of surrender value will buy $1.64 of paid-up insurance.2/ He can exercise the "paid-up insurance" option in his policy and obtain, for his $325 reserve fund, about $533 of insurance which remains in effect for the rest of his life although he does not have to pay any more premiums.

2/ Values in the table are based on the American Experience Mortality Table and a 3-percent interest rate.

| Attained age | Amount of paid-up insurance which each $1 of surrender value will buy |
|---|---|
| Years | Dollars |
| 25 | 2.81 |
| 30 | 2.59 |
| 35 | 2.38 |
| 40 | 2.18 |
| 45 | 1.98 |
| 50 | 1.80 |
| 55 | 1.64 |
| 60 | 1.50 |

The insurance plan of a family may be adjusted in various ways to changing family circumstances. An improvement in the family's position may enable it to pay premiums in larger installments, or to increase the amount of its insurance on insured members, or to take out insurance on uninsured members. If money difficulties arise, payments or premiums may be reduced by replacing any insurance which has a savings feature, such as 20-pay-life or endowment, with insurance which features protection and less savings, such as ordinary life policies. Before a change from a higher- to a lower-premium policy will be permitted by the company, the policyholder must show that he is entitled physically to new life insurance. Such evidence of insurability, which sometimes requires a medical examination, usually must be furnished without expense to the company. Another alternative is to reduce the amount of insurance on dependents. One or more of these changes may release enough funds to meet the emergency. If more money is needed, one or more policies on dependents may be surrendered outright for their cash value. The insurance on the principal wage-earner should be kept, even if it is necessary to surrender policies on dependents. Any insurance on a family member who is in poor health obviously should not be sacrificed.

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Income Tax on Life Annuities.- Those who contemplate investing money in life annuities will be interested in reviewing the manner in which annuity incomes are taxed by the Federal Government. A farmer aged 65 who invests $20,000 in an immediate life annuity must include in his taxable income 3 percent of the purchase price or $600 annually. If the annuity pays $1,639 annually, the difference or $1,039 is tax free until, over a period of years, the total of such tax-free amounts equals the purchase price of the annuity. In this case amounts excluded from income ($1,039) add up to the cost of the annuity ($20,000) in a little over 19 years (20,000 ÷ 1,039). The full annuity payment ($1,639) would be taxable after 19 years.

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# FARMERS' HOME ADMINISTRATION ACT OF 1946

Harald C. Larsen and Roy J. Burroughs

The Farmers' Home Administration Act of 1946 was passed by the 79th Congress just before adjournment in August. This act provides for the creation of the Farmers Home Administration within the Department of Agriculture primarily to assume, consolidate, and broaden certain direct lending operations which formerly were under the Farm Credit and Farm Security Administrations. The new legislation provides for an expansion of long-term mortgage loans under title I of the Bankhead-Jones Farm Tenant Act formerly referred to as tenant-purchase or farm-ownership loans and also provides for the insurance of similar mortgages if made by private lenders. The act also amends the provisions which govern short-term loans under title II of the Bankhead-Jones Farm Tenant Act. These two provisions, as amended, now govern all long- and short-term credit to be extended directly by the Farmers Home Administration. They entirely supersede those provisions which governed emergency crop and feed loans heretofore administered by the Farm Credit Administration as well as the short-term loans made by the Farm Security Administration and broaden the provisions governing the long-term tenant-purchase or farm-ownership loans.

## Changes in Organization

The legislation abolished the Farm Security Administration which had operated as an agency primarily under the authority of a presidential order. Under the authority of the new act the Secretary of Agriculture has established the Farmers Home Administration to which he has transferred the majority of the personnel of the Farm Security Administration and the Emergency Crop and Feed Loan Division of the Farm Credit Administration. Practically all of the functions of the FSA were transferred to the Farmers Home Administration for operation or liquidation under the new act. The function of the Farmers Home Administration in connection with emergency crop production, feed, seed, drought, and rehabilitation loans formerly administered by the FCA is that of supervising their liquidation, since the new legislation provides for the repeal of the basic statutory authority for such loans. Hereafter substantially the same type of production loans will be made by the Farmers Home Administration under title II of the act.

Certain functions of the Farm Security Administration and certain operations of other branches of the Department of Agriculture are to be liquidated. These relate primarily to resettlement and rural-rehabilitation projects, labor supply centers, and labor camps and facilities. The labor centers and camps are to be liquidated as soon as no longer needed or within 6 months after termination of hostilities as determined by Congress or the President. Further, the Secretary is directed to liquidate,

as expeditiously as possible, trusts under the transfer agreements with various State rural rehabilitation corporations. The trust assets were acquired with emergency funds during the depression of the 1930's and have provided revolving funds from which additional loans for rural rehabilitation have been made under the supervision of the FSA. Loans outstanding from these funds on June 30, 1946 totaled 34 million dollars.

The act further provides for the retransfer to the Farmers Home Administration of certain functions which were transferred from the Farm Security Administration to the National Housing Administration under an Executive order issued in 1942. Current information indicates that no projects will actually be retransferred for the act exempts those housing projects and other properties and assets which are now in the process of liquidation, and this applies to most of the functions which would otherwise be retransferred.

## Some General Provisions

Title IV of the Bankhead-Jones Farm Tenant Act which made provision for tenant-purchase loans was amended to include certain general conditions and limitations on both short- and long-term loans made under the Farmers' Home Administration Act unless otherwise specifically provided for. These general conditions include: (1) No loan shall be made to any corporation or cooperative association; (2) loans shall be made only upon certification by the county committee as to the eligibility and qualifications of the applicant; (3) no loan shall be made unless it is determined that the applicant cannot obtain a loan elsewhere of sufficient amount and at rates and terms prevailing in the community (a rate of interest in excess of 5 percent not being considered a satisfactory charge); (4) loans cannot be made for carrying on any cooperative land-purchase or land-leasing program; (5) loans shall be made at an interest rate of 5 percent (except for real estate mortgage loans for which a rate of 3.5 percent is specifically provided for) upon such security and under such other terms and conditions as the Secretary shall prescribe including such provisions for supervision as the Secretary deems necessary for the protection of his interest; and (6) when the Secretary finds that a borrower from the Farmers Home Administration may be able to obtain a loan from a production credit association, Federal land bank, or other responsible cooperative or private credit source at rates (not in excess of 5 percent) and terms prevailing in the area, the borrower must, upon request of the Secretary, apply for and accept such refinancing if he is still in need of the credit. The act also provides that the Secretary shall require annual payments of principal and interest sufficient to pay off the loan on an amortized basis within the term of the loan and shall provide a method whereby the borrower may pay off the debt by a system of variable payments. While the Farm Security Administration has followed the practice of extending credit only to those who were unable to obtain satisfactory terms from other lenders, it was not until the provisions of the Farmers' Home Administration Act were made law that such became a statutory requirement. Before an applicant can now obtain a loan he must certify that he cannot get sufficient

credit at rates and on the terms and conditions prevailing in the community. Such a fact must also be certified by the county committee and representatives of the Secretary of Agriculture must make such a determination.

## Expansion of Farm-Ownership Loans

Some of the most important provisions of the Farmers' Home Administration Act of 1946 relate to amendments of title I of the Bankhead-Jones Farm Tenant Act. Loans made under this title are long-term, real-estate-secured, mortgage loans. They are usually referred to as "tenant-purchase loans" or "farm-ownership loans." The principal intent of these amendments is to: (1) Increase the authority of the Secretary of Agriculture to make loans to farmers not only for the purchase of farms but for enlarging or improving their family farms for more efficient operations and to enable such farmers to adjust their operations to changing conditions; (2) extend the benefits of the new act to veterans; (3) restrict individual loans to an amount which will permit the acquisition, improvement, or enlargement of a farm of such size as to constitute an effecient family-type farm-management unit which does not exceed the average value of such units in the county; (4) provide for an appraisal by competent employees of the Secretary for the guidance of the Secretary and the county committee in determining the fair and reasonable value of the farm based upon its normal earning capacity; (5) require that the interest rate shall be at 3.5 percent instead of 3 percent; (6) authorize the insurance of farm mortgages by the Secretary and (7) modify the formula for the allocation of loan funds so as to provide a minimum of $100,000 for each State and to provide for the applications from veterans.

The provisions of title I governing long-term loans are also subject to the general restrictions mentioned earlier. The most important from the standpoint of these loans relate to ineligibility of applicants who can get the required credit from other lenders and the necessity of a borrower refinancing his loan as soon as his loan will qualify.

In the recent past, loans under title I of the Bankhead-Jones Farm Tenant Act have been used primarily to finance tenants and other nonowners in the purchase and improvement of their farms at the time of acquisition. A few loans have also been made to owners of undersized units for the purchase of additional land and necessary improvements so as to make the farm an economic unit. However, many owners of undersized and underimproved farms have lacked the necessary credit to improve their farms so they would constitute "economic farming units." The Farm Security Administration recognized this discrimination against owners in favor of nonowners. The new legislation now permits owners of undersized or underimproved farms, as well as tenants, to acquire, enlarge, or improve farms which will be of sufficient size, productivity, and capital equipment to make a living for a farm family. It further permits loans to farmers who find it necessary to make major readjustments in their farming operations to meet changing conditions.

The benefits of the Bankhead-Jones Farm Tenant Act and other legislative authority under which the Farm Security Administration operated had been made in major part available to veterans of World War II prior to the passage of the Farmers' Home Administration Act of 1946. The provisions of the latter act which extended its benefits to veterans of any war in which the United States engaged, therefore, broadens previous legislation and more sharply defines the rights and responsibilities of veteran borrowers under that act.

Under the provisions of the Bankhead-Jones Act only county committees were required by law to appraise the farm and certify as to its value. As amended the act makes available to the county committee and to the Administration an appraisal of the farm by a technically competent Federal appraiser.

These provisions are principally supplemental and tend to expand, broaden, and clarify the Bankhead-Jones Farm Tenant Act. The principal additions of authority under title I of the act are contained in those provisions of the Farmers' Home Administration Act of 1946 which set up the basis on which long-term real estate mortgages may be insured.

## Farm-Mortgage Insurance

The act establishes a farm-mortgage-insurance system for the protection of lenders advancing funds on farm-ownership loans similar to long-term mortgage loans made directly by the Farmers Home Administration. A mortgage-insurance fund of $25,000,000 is authorized as a revolving fund for the operation of the insurance program. Not more than $100,000,000 of mortgage principal obligations shall be insured in any one fiscal year.

### Terms and Conditions of Insured Mortgages

To be eligible for insurance a mortgage must be similar to the long-term mortgage direct loans under title I, usually referred to as tenant-purchase or farm-ownership loans. The borrower must be a veteran, farm tenant, farm laborer, or other individual who recently obtained the major portion of his income from farming operations. The interest rate on the amortized loan is to be 2.5 percent on the unpaid balance, but in addition one percent on the outstanding balance is to be charged the borrower payable annually in advance, of which one-half is for expenses of the Administration as collecting agent for the mortgagee, and the other half is a premium for insurance. The Secretary may also make a charge against either the mortgagor or the mortgagee for inspection, appraisal, and other charges as found necessary. The loans may not exceed 90 percent of appraised "reasonable value of the farm" based on the long-time earning capacity of the farm nor be for more than 40 years. Thus, from the point of view of the borrower, the loans are the same as those made directly by the Administration except that the direct loans may be for 100 percent instead of 90 percent of farm value. Borrowers will be subject to those provisions of the act which require maintenance of the property and prevention of waste and exhaustion of the farm and fulfillment of such farming, conservation, and other approved practices as the Secretary shall prescribe.

The Secretary of Agriculture collects the annual loan charges from the mortgagor and transmits the portion of the payment representing principal and interest to the mortgagee. The Secretary further is required to advise the lender promptly of any default; and, if after 30 days the borrower has failed to pay the amount due, the Secretary must pay the mortgagee out of the insurance fund the amount of the interest and principal payments due less any repayments. The lender must agree, in lieu of foreclosure privileges that when the borrower has been in default for more than twelve months, the lender will accept the cash equal to the current value of the mortgage upon the assignment to the Secretary of all of his interests and rights arising under the mortgage.

When the borrower has been in default for more than 12 months and the Secretary accepts assignment of the insured mortgage, he is required by the act to determine whether the mortgagor desires to remain in possession of the farm. If the mortgagor does not desire to retain the farm, the Secretary may proceed to foreclose on the mortgage. If the borrower wishes to remain on the farm, and the Secretary finds that the borrower has made a reasonable effort to meet his payments and other conditions of his mortgage, and also that he will probably be able to meet such defaults within 5 years, the Secretary may enter into an agreement with the borrower permitting him to pay off such delinquencies within that period. If the borrower thereafter fails to meet any payments, the Secretary may proceed to foreclose. This provides some latitude for certain borrowers who temporarily run into adverse financial conditions.

Whether the borrower receives a regular or insured loan, it must be refinanced when it appears that a loan is available from the production credit association, Federal land banks, or other responsible cooperative or private credit source at rates and on terms prevailing in the area. The borrower must, upon request of the Secretary, apply for and accept such loan when available. The Federal land banks, for instance, may make loans up to 65 percent of the normal value of a farm. Therefore, when the borrower on an insured mortgage has amortized the principal of his loan down to 65 percent of the normal value of the farm, he will, from this standpoint at least, be eligible for a loan from a Federal land bank. It will take about 17 years to amortize a 90-percent 40-year loan down to 65 percent of a normal value of the farm. On a regular 100 percent loan it will take about 20 years if all payments are met.

## Interests of Investors in Insured Mortgages

The major question concerns the interest of prospective investors in the insured mortgage. It would appear that mortgagees will have little expense in connection with insured mortgages and that the net yield will approximate 2.5 percent (3.5 percent less the 1 percent for insurance premium and administrative expenses). A mortgage would cost very little to hold since the servicing costs are at the expense of the Farmers Home Administration. There will, therefore, be no losses to the mortgagee as the entire credit of the Federal Government assures the solvency of the insurance fund.

These mortgages are freely assignable upon notice to the Secretary of Agriculture and are eligible under the Federal Reserve Act as investments for national banks. The effect of this amendment is to make the limitations and restrictions on loans made by national banks secured by real estate inapplicable to loans for the purpose of farm loans insured under the Bankhead-Jones Farm Tenant Act.

It has already been mentioned that the mortgages will yield a net return of about 2.5 percent over 40 years. However, the term must be qualified, for such mortgages will probably be refinanced within a period of about 17 years, as by that time the owner should have an equity large enough to be required under the law to refinance the mortgage on an uninsured basis. The borrower may, however, obtain this equity earlier if he reduces the principal by advanced or extra payments or he may not obtain such equity until after 17 years if he fails to make regular payments. If the situation is so bad the borrower has to default on his loan, however, the lender may have to accept a 100 percent cash settlement at the end of one year from an unremedied default. The average term of the investment in insured mortgages will, therefore, be less than 40 years and may be less than half the term. At the end of such period the mortgagee can expect to receive the full cash value of his investment at a net yield during the period of about 2.5 percent. This information provides a basis for comparisons with certain other relatively comparable investments.

At the time of writing, long-term Government bonds (21-26 year) carrying a 2.5 percent interest rate sell at a small premium so that the net yield is about 2.39 percent. Since these are coupon bonds and are payable to bearer, a portfolio of Government bonds would probably be a little easier to administer than a portfolio of insured mortgages of odd amounts with no definite term, but the two types of securities would otherwise be roughly comparable.

Large blocks of mortgages maturing in 15 to 20 years insured by the Federal Housing Administration are reported to be selling at prices to yield about 3.6 to 3.7 percent after payment of servicing costs. In contrast with Bankhead-Jones insured mortgages, the lenders under the FHA plan may have to absorb foreclosure costs if properties do not sell for enough to liquidate the obligation. Mortgagees receive debentures instead of cash as an indemnity in case of foreclosures and assignment of mortgages to the Commissioner. These debentures bear not to exceed 3 percent interest and mature approximately 3 years beyond the original maturity date of the mortgage. The debentures are unconditionally guaranteed by the United States. Though the two types of insured mortgages may seem to be comparable, comparison is difficult. In addition to the fact that the field of The Federal Housing Administration mortgages has been almost wholly in urban real estate, one can only observe that the Federal Housing Administration mortgages appear to be yielding more than would Bankhead-Jones mortgages.

A seemingly apparent handicap that Bankhead-Jones insured mortgages might operate under would be the lack of a ready secondary market. Ordinarily the mortgages would, in small and odd amounts, require a strong

secondary market. Unless securities usually are issued in uniform denominations and in considerable volume they fail to attract a wide following or to enjoy the advantage of a close market, a term which refers to a narrow spread between the bid and ask prices. These insured mortgages would not necessarily have this advantage. Hence it may be desirable to use a trustee to whom insured mortgages could be assigned. The trustee could then issue certificates of participation in this pool of mortgages in standard denominations and large blocks. A mortgagee would assign a mortgage to the trustee and receive in return certificates and possibly a fractional certificate representing his interest. When he wishes to dispose of the certificates they could be sold to any investor. Presumably the fractional certificates might be sold over the counter for what they would bring, the buyer effecting consolidation for resale.

Federal Housing insured mortgages are sold in large blocks partly because the Federal National Mortgage Association and the RFC Mortgage Company have more or less stabilized the yield. Within broad limits they have been able to do this by buying and selling mortgages offered or wanted. They carry out this central banking function with funds made available by the Reconstruction Finance Corporation of which they are subsidiary corporations. The market for FHA insured mortgages thus is well organized and institutional investors deal in blocks of the mortgages at prices believed to be close to those established by the Federal National Mortgage Association. Bankhead-Jones insured mortgages may require a similar market support. Possibly the RFC has authority to establish a secondary market for these mortgages just as it has done for FHA mortgages.

The Federal reserve banks remain the lender of last resort for most paper held by commercial banks. However, the mortgages insured under the Bankhead-Jones program would not be eligible for open-market purchases or rediscounting at standard reserve bank rates. Yet, under section 10 of the Federal Reserve Act, advances secured by any paper the bank is willing to accept may be made to member banks at a penalty rate of at least one-half percent more than the discount rate for eligible paper. Under unusual circumstances of credit stringency, the Bankhead-Jones insured mortgages might thereby become the basis for credit at the reserve banks.

## Production and Subsistence Loans

A program for production and subsistence loans is established under the Farmers Home Administration to provide non-real-estate credit direct to those farmers unable to obtain such credit elsewhere. In effect, the short-term production loans of the Farm Security Administration and the "emergency crop and feed loan" program of the Farm Credit Administration are to be combined as one operation.

The "emergency crop and feed" loans have been financed by annual appropriation for the purpose of providing credit up to $400 in any one year to farmers without credit from other sources and preferably whose credit requirements were small. Loans were secured by first liens on crops and livestock. Before 1931 the loans were permitted primarily in

distressed areas but since 1931 they have been authorized on a national basis. For the past several years the interest rate has been 4 percent per annum. The loans have usually been for a term of less than a year, the maturity date fixed to fall at the time the particular type of crop will be harvested and sold. Applicants, if judged to be acting in good faith, were accepted if they agreed to use approved seed and farming methods, to plant a garden, and to put in sufficient feed crops for subsistence of livestock. However, there was no supervision beyond that of ascertaining that the proceeds of the loan were used as stipulated. As of June 30, 1946 outstanding loans, including "orchard rehabilitation" and "drought relief," totaled about 137 million dollars of which about 70 million represented delinquent cases still outstanding from loans made during the period 1918-36. Of the 16.5 million dollars of loans approved in 1945, only 2.5 million were outstanding on June 30, 1946. The number and amount of these loans by years and classes is shown in table 1.

Table 1.- Emergency crop and feed, drought-relief, and orchard-rehabilitation loans outstanding by loan years, June 30, 1946

| Period | Outstanding loans | | |
|---|---|---|---|
| | Number of loans | Amount of loans | Ratio to loans made |
| | Number | Dollars | Percent |
| Emergency crop and feed loans: | | | |
| 1918-1936 1/ | 686,317 | 70,467,148 | 22.8 |
| 1937 | 61,119 | 7,748,892 | 23.8 |
| 1938 | 28,942 | 2,794,529 | 14.2 |
| 1939 | 13,902 | 920,007 | 6.1 |
| 1940 | 20,661 | 1,503,650 | 7.7 |
| 1941 | 16,478 | 1,067,998 | 5.8 |
| 1942 | 9,342 | 765,287 | 3.9 |
| 1943 | 8,099 | 846,352 | 4.5 |
| 1944 | 7,739 | 927,017 | 5.0 |
| 1945 | 14,889 | 2,500,312 | 15.2 |
| 1946 | 74,383 | 15,798,509 | 97.2 |
| Total | 941,871 | 105,339,701 | 20.9 |
| Drought-relief loans: | | | |
| 1934-1935 1/ | 152,450 | 31,888,495 | 44.3 |
| Orchard-rehabilitation loans: | | | |
| 1942 1/ | 6 | 5,115 | 29.5 |
| GRAND TOTAL | 1,094,327 | 137,233,311 | 23.9 |

1/ Not revolving.

Farm Credit Administration.

The rural-rehabilitation loans of the Farm Security Administration have been financed by annual appropriations without the benefit of specific organic legislation. Title II of the Bankhead-Jones law which pertained to rehabilitation loans has not until now been implemented because of the absence of any but the initial appropriations for the purpose. Appropriation bills in recent years have limited new loans to $2,500 for any one farmer in any 1 year. Loans are usually secured by crops, machinery, or livestock. The interest rate, left to administrative discretion, has been 5 percent since 1941, except for some 3-percent loans to enable farmers to undertake cooperative use of equipment or breeding stock and similar cooperative activities. Farm and home supervision is provided without expense to the borrower as a means of improving both farm and home management and so as to give greater protection to the loan. County committees of farmers appointed by the Farm Security Administration approve each loan. Outstanding loans to individuals, excluding State Corporation trust funds, totaled about 285 million dollars on June 30, 1946.

"Production and subsistence" loans are now to be made by the Farmers Home Administration out of funds appropriated for a similar purpose heretofore available for the current fiscal year to the Farm Security Administration and to the Emergency Crop and Feed Loan Division of the Farm Credit Administration. These loans will be made at 5 percent interest and upon such security and other terms as the Secretary prescribes. Under the amendments to title II the loans may be made to farmers and stockmen who are citizens of the United States for the purchase of livestock, seed, feed, fertilizer, farm equipment and supplies, other farm needs, refinancing of indebtedness, and family subsistence. The initial loan for such purposes cannot exceed $3,500 to any one borrower and no further loan can be made under this provision so long as the total amount outstanding to a borrower, including accrued interest, taxes, and other liens and obligations chargeable to the borrower, exceeds $5,000. The term of any loan including extensions and renewals may not exceed 5 years from the date the particular original loan was made. Moreover, "no person who has failed to liquidate his indebtedness under this section for five consecutive years shall be eligible for further loans hereunder until he has paid such indebtedness in full..." The latter passage requires each borrower to completely liquidate all indebtedness under this section of the act at least once each 5 years in order to be eligible for further loans. Were such not the case, the Administration would be providing a farmer with permanent working capital since each successive loan might be made in such a manner as to pay off preceding loans. As a protection to present borrowers the act provides that emergency crop and feed loans and rural-rehabilitation loans shall not be included until 5 years from the effective date of the act in determining amounts, terms, and the 5-year period of eligibility.

If necessary to protect the loan, the Secretary may require the borrower to accept farm and home supervision. In practice it is probable that larger loans for production and subsistence will be under supervised conditions while smaller loans generally will be made without requiring supervision.

Just how much money will be available for the 1947 fiscal year is not yet determinable so far as the "emergency crop and feed loan" funds are concerned. As of July 31, an unexpended balance from current appropriations and collections of $7,600,000 was reported and it is unofficially estimated that possibly a total of $25,000,000 would be available to the Farmers Home Administration from these sources before June 30, 1947.1/ With $34,872,553 of loans outstanding on June 30, 1946, which, if collected, will become available for relending, this estimate appears reasonable. A bad crop year could reduce collections but continued good crops and high prices should result in high collections.

There will be no basic authority for the appropriation of collections for making current loans, hence the revolving fund features of the crop and feed loan program will be at an end by June 30, 1947. Current collections can be reloaned to June 30, 1947 but not thereafter. Collections on loans made prior to 1937 or from the "drought relief" or "orchard rehabilitation" programs are not available for further lending.

The Farm Security Administration started the fiscal year with about $70,000,000 authorized for rural rehabilitation. On November 1 when the Farmers Home Administration took responsibility for the program, perhaps $55,000,000 to $60,000,000 would become available.2/

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Cooperative Farm-Mortgage Survey.- The Bureau of Agricultural Economics is again cooperating, as in 1940, with the Bureau of the Census in a project to prepare estimates of the number of farms under mortgage, the amount of farm-mortgage indebtedness by tenures and by lender groups, and the rates of interest charged. The data being obtained are as of January 1, 1945, and final estimates will be based partly on the 1945 Census of Agriculture and partly on the results of a mailed questionnaire. The Bureau of the Census has obtained information as to the mortgage status of all full-owner farms and of the owned part of part-owner farms. The Bureau of Agricultural Economics is responsible for determining the status of tenant- and manager-operated farms and of the rented part of part-owner farms, as well as the distribution of total mortgage debt by lender groups and the interest rates charged.

The results of the survey and the Census data will serve as the basis for establishing a new debt estimate for January 1, 1945. This will provide a benchmark for revising all annual estimates since January 1, 1940, the date of the last survey.

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1/ Farm Credit Administration - informally reported.
2/ Farm Security Administration - informally reported.

# ORGANIZED FARM FIRE PROTECTION

John D. Rush

Three steps are recognized as essential in a well-rounded program of farm fire defense: (1) Prevention through the recognition and removal, where possible, of hazards which may cause fire; (2) the provision of simple but effective home equipment such as hand extinguishers, ladders, and other equipment as well as an adequate supply of water which may be useful in putting out small fires or in preventing the spread of big fires; (3) arrangements to obtain on call the services of a nearby fire department equipped for rural fire-fighting. When a fire breaks out which the farmer with his limited means cannot handle, he needs help in stopping the fire or in preventing it from spreading to adjacent buildings. This article deals principally with those programs developed to provide organized fire-department services for farm improvements. 1/

Farmers are interested in organized fire protection that will reduce their chances of loss provided the cost is commensurate with the benefits received. A farmer can obtain insurance for only about 75 percent of building values, and if he has a total loss he must stand about 25 percent of it. If an efficient fire-protection service enables him to obtain insurance at cheaper rates than would otherwise be possible, the saving in premiums may be used to measure approximately the benefits gained from the service.

Theoretically, the measure of the net gain or loss from having fire-department protection is the difference between (1) the capitalization of all future premium savings, and (2) the capitalization of the costs represented by the fire tax on the property. 2/ In both cases the "going" interest rate should be used in the discounting process. If farmers do not carry insurance, a measure of the benefit of such service would be represented by the difference in the "expectation of loss," before and after having such services, when expectation of loss is defined in each

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1/ Although the special field of forest-fire control is not dealt with here, frequently forest-patrol crews are able to render valuable service within their zones of operation in helping farmers fight building fires.

2/ Strictly speaking, this probably would be true only if the farmer could obtain 100 percent coverage of value, which he has in the case of partial losses up to the face of the policy. Partial losses occur more frequently than total losses and their aggregate is more. If it is assumed that an efficient fire-protection program will reduce the probability of both total and partial losses, the farmer gains something in addition to the capitalization of future premium savings when such premiums in both instances are for insurance not exceeding 75 percent of value.

instance as the average probability of occurrence of fires of various degrees multiplied by the value of the property. The capitalization of this annual benefit could then be compared with the capitalized value of the tax costs of the service to determine whether there is a net gain.

If the character of protection services meets the underwriter's standards, reduced fire-insurance rates are usually allowed. Local fire insurance rating bureaus usually "up-grade" farm properties along with other rural properties when regular fire services and water lines become available. Requirements in general for rate reductions are that the fire-protection program be tax-supported, that the risk be not too far from the station, that some means of communicating the alarm be provided, that ample water supplies be maintained on the farm, and that the fire department measure up in personnel and equipment to certain minimum standards.

Organized farm-fire protection programs to reduce the heavy annual losses in property and life have increased in number in many States since the 1920's. Annual losses of farm properties from fire and lightning in recent years have averaged from 80 to 90 million dollars, according to estimates of the Farm Fire Protection Committee of the National Fire Protection Association. In addition to these property losses, several thousand farm people have been severely or fatally injured by fire each year.

The two principal factors which largely account for the progress in the development of rural fire protection programs are: (1) The increased efficiency in adapting modern apparatus and services to rural fire fighting; and (2) a rising demand for organized fire protection from suburban residents who live beyond the city boundaries. There are other factors, such as the indirect effects of the war which also stimulated these programs. The threat of sabotage and incendiary bombing brought home to farmers a keener appreciation of the consequences of losses of scarce and high-priced materials, and, therefore, a consciousness of the need for organized fire-department services.

Despite the difficulties involved in the development of organized fire-department protection for widely scattered farm settlements, special hazards induced many farmers to undertake cooperative programs to protect their investments. The strictly rural fire-protection-district type of organization was largely developed and promoted by farmers who were faced with the additional hazard of loss by fire of standing grain and prairie grass during the dry seasons. 3/

Before good roads, rural telephones, light fire trucks, and tank trucks for carrying water became generally available, only a minimum degree of protection for farm buildings and other properties could be provided by village and urban fire departments and then only on the fringes of their boundaries. Frequently, total losses occurred especially where barns were involved, even when the services of a fire department were obtained, because the fire department was helpless after its limited supply of chemicals and the available farm water supply were exhausted.

3/ The Oregon Fire Marshal estimates the standing-grain losses from fire in his State at approximately $500,000 in 1946.

But with the adaptation of fire-fighting equipment to rural conditions, many States during the 1920's and 1930's enacted legislation to encourage and promote rural fire-protection programs. Such legislation made it possible to place such programs on a more substantial basis than could be done under the limited voluntary programs. At present all States except 10 have enacted State-wide legislation which authorizes rural groups to provide some form of protection for farm improvements in rural areas.4/ Even in some of these States rural fire protection is provided under authority granted to minor civil divisions through special local laws, as well as by ordinances of many cities.5/

## Voluntary Programs

The first to be initiated was the voluntary program under which the city, town, or village fire department sends its trucks and firemen within reasonable distances outside the corporate boundary. This service is frequently undertaken without charge and serves by far the greater number of farms. In recent years, however, a tendency has been growing on the part of municipal authorities to charge for, or to abandon, such outside activities. The fee per call ranges from less than $25 to $350, but the average probably is not over $50. Sometimes fire departments contract to serve residents outside the city limits if the latter agree to pay assessments in the form of a fire tax based on the value of the properties needing protection.

Farm leaders, in order to encourage farmers to reduce the heavy annual loss have aided in the development of voluntary programs for taking full advantage of available fire-department services. During the war the Agricultural Extension Service expanded considerably its program of organizing volunteer farm-fire-fighting crews.6/ Farmers were encouraged either to provide themselves with tools with which to help each other when no other aid was available or to organize and train themselves as volunteer firemen, to supplement the limited number of firemen who could be sent from nearby cities and towns to help control farm fires. Volunteer fire companies in the smaller cities and towns cooperated in this general movement. In such States as Maryland and Delaware these volunteer companies, largely financed by public subscriptions, answer farm fire calls within a reasonable distance from the central stations.

Such voluntary activities were encouraged not only by farm leaders but by State fire marshals, fire insurance companies and public-spirited citizens. Frequently fire insurance companies, especially the township and county farmers' mutual companies, have taken the lead in promoting local fire department protection programs. In some instances these

4/ Ala., Ariz., Del., Fla., Md., Miss., N.Mex., S.C., Tenn., and W.Va.

5/ As an example, some of the political subdivisions in Maryland have such authority through special local laws rather than those of general State-wide application.

6/ During World War II, 2,300 farm volunteer crews were organized in California.

companies have bought fire trucks adapted to rural fire-fighting conditions and have placed them at the disposal of city, town, or village fire departments for use in serving their insured.7/ In other instances these companies have paid local city and town fire departments stipulated fees for answering calls from their members. In still other communities farmers themselves have banded together to buy fire trucks and place them with local fire departments to be housed and manned. 8/ Such arrangements usually provide that the rural truck may be used to supplement the city fire department but must be sent to a farm fire on call. In practice a few city firemen take the rural truck to the farm fire and there the force is supplemented by farmers who are trained to use the equipment.

## Governmental Programs

In the second type of program, farm fire protection is under governmental control, supported by taxation. The legislatures of a number of States have authorized one or the other or both of two kinds of programs. The first is represented by a grant of authority to townships or counties permitting them to provide fire protection in their rural unincorporated and unprotected areas. The second is represented by the establishment of procedures under which the residents of an unprotected area can organize a fire-protection district, in effect a new political subdivision with independent taxing power, to provide fire-protection services.

The steps in establishing a district usually are: (1) A petition, either by a majority or a specified number of electors; (2) a hearing before the proper governing body; and (3) in most instances a vote on the establishment and on the amount of the tax levy. The laws commonly provide for the election or appointment of a board of three to five directors to administer the district, although in a few States such duties are assumed by existing governing bodies. Provisions are usually made for the addition of new territory, the withdrawal of part of the territory, the consolidation of districts, or for dissolution of districts.

Although fire protection is generally considered a public necessity, legislation dealing with this subject has generally been permissive rather than mandatory. Most of the laws which authorize fire-department protection simply delegate power to governing bodies or electors to make decisions in regard to the local need for or the character of such programs. This broad delegation of power seems necessary because of the differences between communities in the type of protection needed and in financial resources. Then, too, there is little experience of a comparable nature available to guide the legislatures in setting up rules and regulations to govern all of the details involved in the administration of these programs.

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7/ See article, "Best Protected County in the U.S." (O'Brien County, Iowa), in Volunteer Firemen, February 1944.
8/ More than 100 fire trucks have been bought by Minnesota farmers under arrangements to be served by cities and towns.

One phase of the movement to utilize government as a means of furnishing fire protection to farms developed more than 100 years ago in the New England States, where the town, or township, is the principal unit of local government. Such fire-protection services as were authorized at the annual town meetings, participated in by both urban and rural residents, served not only the village center but also, when practicable and possible, the rural part of the town as well. Fire fighting was more effective in the village with its waterworks and hydrants than in outside areas. Where there was a difference in the efficiency of the service, it was sometimes recognized by use of a different fire-tax rate for residents of villages than for rural residents. It was not until many years later that a corresponding effort to authorize rural fire protection under governmental control was made in those States in which the county is the basic unit of local government. However, fire departments of cities and towns generally responded, with or without legislative authorization, to calls from nearby farmers.

Before a city can contract to supply fire-protection services to rural areas outside its legal boundaries, it is usually necessary for it to secure such authorization through State legislation. The courts have generally held that a city which sends its firemen and equipment outside its legal boundaries without legislative authorization and which charges a fee for such services is liable for accidental injury or damage resulting from such action. On the other hand, an act of the legislature authorizing such outside functions gives the city immunity from liability in making outside calls, as would be true if the activity were conducted within the city limits.

## Status of Rural Fire Protection Laws and Programs

By 1946 basic legislation authorizing rural fire protection under township, county, or special district governing boards had been enacted in 38 States. The character of these laws and the date of enactment are shown by States in table 1. Most of these laws have either been enacted or revised since 1920. Although most of the programs now in operation were based on old laws, amendatory legislation has served to bring such programs more in line with material progress that has been made recently in the field of fire control. Such amendatory legislation gives sanction to those programs formed under older laws, but requires them to conform as soon as possible to the provisions of the newer statutes. During the decade 1930-39, 12 States adopted or revised laws for the establishment of fire-protection districts in rural areas.

Because of the local nature of rural fire-protection programs, little data are available to indicate the extent to which programs have been developed in these 38 States. The following incomplete report compiled from various sources gives some indication of the progress that has been made:

<u>California</u>.- At least 250 fire-protection districts, some operating on a county-unit basis.

Table 1.- Status of rural fire protection by character and year of legislation, by States and by geographic divisions 1/

| Geographic division | States with State-wide laws according to administrative unit which is empowered to act: Township | County | District | States without State-wide laws, or with laws of local application only |
|---|---|---|---|---|
| New England | Me. (old) | | Vt. (1927) | |
| | N.H. (1844) | | Mass. (1844) | |
| | Mass. (1920) | | Conn. (1918) | |
| | R.I. (1929) | | | |
| | Conn. (1918) | | | |
| Middle Atlantic | N.J. (1879) | | N.Y. (1932) | |
| | Pa. (1917) | | N.J. (1932) | |
| | | | Pa. (1925) | |
| East North Central | Ohio (1939) | Mich. (1945) | Ohio (1939) | |
| | Ind. (1927) | Wis. (1939) | Ill. (1927) | |
| | Mich. (1923) | | Mich. (1941) | |
| | Wis. (1849) | | Wis. (1939) | |
| West North Central | Minn. (1927) | Kans. (1941) | Mo. (1941) | |
| | Iowa (1939) | | Neb. (1939) | |
| | N.D. (1917) | | Kans. (1937) | |
| | S.D. (1941) | | | |
| | Kans. (1939) | | | |
| South Atlantic | | Va. (1942) | Va. (1942) | Del. S.C. |
| | | N.C. (1945) | | Md. Fla. |
| | | Ga. (1922) | | W.Va. |
| East South Central | | Ky. (1942) | Ky. (1944) | Tenn. |
| | | | | Ala. |
| | | | | Miss. |
| West South Central | Okla. (1939) | Okla. (1939) | Ark. (1939) | |
| | | Texas (1941) | La. (1942) | |
| Mountain | Wyo. (1939) | Wyo. (1939) | Mont. (1925) | N.Mex. |
| | | Utah (1927) | Ida. (1927) | Ariz. |
| | | | Wyo. (1939) | |
| | | | Colo. (1941) | |
| | | | Nev. (1937) | |
| Pacific | | | Wash. (1939) | |
| | | | Oregon (1939) | |
| | | | Calif. (1939) | |
| TOTAL | 18 | 11 | 25 | 10 |

1/ Date of enactment or revision of basic laws.

Illinois.- More than 110 fire-protection districts with a State Association. About 27 of these districts have been recognized for rate reduction purposes by the Illinois Inspection Bureau.

Iowa.- Township fire protection furnished by at least 400 city and village fire departments.

Kansas.- At least 20 townships with contracts for fire protection.

Massachusetts.- More than 50 fire districts serving the thickly populated suburban communities with few farms, but many more township fire departments serving rural areas in which most of the farms are located.

Minnesota.- At least 208 townships protected.

Nebraska.- About 30 rural fire-protection districts.

New York.- A total of 1,324 fire districts and a State Association.

North Dakota.- At least 150 townships with some protection.

Ohio.- At least 408 townships with some protection.

Oregon.- At least 72 fire-protection districts.

Vermont.- At least 25 fire districts serving approximately 1 percent of the farms, but other farms are served by town fire departments.

Washington.- Approximately 100 fire-protection districts, about 14 of which are recognized by the Washington Surveying and Rating Bureau as efficient enough to merit credit in connection with fire-insurance rates on standing grain.

Enabling legislation has also been utilized to some extent to establish rural fire-protection districts in Colorado, Idaho, Montana, and Nevada. Some progress in the utilization of State laws authorizing township fire departments, the extent of which is unknown, has been reported in Connecticut, Indiana, Michigan, Pennsylvania, and Wisconsin. The movement to organize county fire departments is, except in a few isolated instances, just beginning.9/ In a few States for which very rough estimates were obtained, the proportion of all farms in each State which has some degree of fire-department protection was given as follows: Connecticut, 50 percent; Delaware, 90 percent; Idaho, 5 percent; Maine, 20 percent; Massachusetts, 50 percent; Maryland, 90 percent; Michigan, 75 percent; Missouri, 15 percent; New York, 80 percent; Rhode Island, 80 to 100 percent; and Vermont, 10 to 15 percent.10/

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9/ A well-organized county fire department consists of a number of fire companies distributed in various parts of the area under county administration.

10/ Includes protection provided voluntarily or by law.

__Methods of operation__.- Principally, the laws provide for the establishment of fire-department services by the district, township, or county (table 2). But in a few cases authority is given only to contract for services from a nearby fire department. Alternative or supplementary methods are authorized, such as the power to contract for services from an existing fire department, to establish joint fire departments by two or more subdivisions, to buy equipment and turn over to local fire companies, or to appropriate funds to aid volunteer fire companies serving the area.

Table 2.- Methods of providing fire-department protection in rural areas by type of unit empowered to act, and by number of States having such laws

| Governmental unit | States having laws | Kind of authorized arrangements | | | | | |
|---|---|---|---|---|---|---|---|
| | | Establish own fire department | Establish joint fire department 1/ | Contract for fire department services 2/ | Contract to serve outside 3/ | Appropriate money to fire companies serving area | Purchase equipment to be used by local fire company |
| | Number | No. of States | No. of States | No. of States | No. of States | No. of States | No. of States |
| District | 25 | 23 | 0 | 15 | 11 | 1 | 0 |
| Township | 18 | 17 | 9 | 10 | 4 | 4 | 2 |
| County | 11 | 10 | 0 | 2 | 2 | 0 | 2 |

1/ With another adjacent political subdivision.
2/ From a nearby city or other subdivision.
3/ Outside its jurisdictional boundaries.

Tax levies are authorized for the purchase and maintenance of equipment and the payment of compensation to firemen, or to finance the contracting of services. In about half the States a limitation is placed on the amount of the levy, ranging from 1 to 25 mills on the dollar of assessed valuation. The most common amount ranges from 2 to 5 mills. In the remaining States the amount of the levy is left to the discretion of the electors or local governing bodies, subject to any over-all tax limitations.

In order to provide equipment and to construct fire stations and fire-alarm systems, bond issues are authorized in a number of States, the upper limit of the amounts ranging from 3 to 5 percent of the assessed valuation (table 3). In a few States current indebtedness is limited either to a specified amount, which varies from $2,000 to $10,000, or to a certain percent of the assessed valuation or of the anticipated tax revenues. In a few States, certain types of properties, such as mining, manufacturing, railroad, or public utility may be included in the protected area only with the written consent of the owners.

Table 3.- Limitations imposed in statutes authorizing rural fire protection, by types of administrative unit empowered to act, and by States imposing such restrictions

RURAL FIRE PROTECTION DISTRICTS

| State | Minimum requirements for organization | | | Fiscal limitations | | | |
|---|---|---|---|---|---|---|---|
| | Area | Population | Assessed value | Tax levy (mills per $1 of assessed valuation) | Appropriations | Bonded debt (amount or percent of assessed valuation) | Current debt (amount or percent of assessed valuation) |
| Arkansas | Maximum - 7 sq. mi. | - | 100 residences | - | - | - | $8,000 |
| California | - | - | - | 1/ 15 | - | - | 85 percent of anticipated tax |
| Colorado | - | - | - | - | - | - | $2,000 without vote |
| Idaho | 1,000 acres | - | $100,000 | 8 | - | - | 5 cents per $100 |
| Illinois | - | - | - | 1½ | - | 5% | - |
| Kentucky | - | - | - | 1 | - | - | - |
| Louisiana | - | - | - | 5 | - | - | - |
| Massachusetts | - | 2/ 1,000 | - | - | - | - | - |
| Michigan | - | - | - | - | $10,000 | - | - |
| Missouri | - | 3/ 200,000-800,000 | - | 15-25 | - | 5% | 4/ 5% |
| Montana | - | - | - | - | - | 3% | - |
| Nebraska | 36 sq. mi. | - | - | 5/ ½ | - | - | 6/ $2,000 |
| Nevada | - | - | - | 15 | - | $10,000 | - |
| New Jersey | - | - | - | 5 | - | $60,000 | - |
| New York | - | - | - | 7/ 1 | - | 5% | - |
| Ohio | - | - | - | - | - | $20,000 | $10,000 |
| Oregon | - | - | - | 4-10 | - | 5% | - |
| Pennsylvania | - | Over 300 per sq. mi. | - | 2 | - | - | - |
| Vermont | 8/ 2 sq. mi. | - | - | - | $10,000 for station | - | - |
| Virginia | - | - | - | 1 | - | - | - |
| Washington | - | - | - | 4 | - | - | - |
| | TOWNSHIP FIRE DEPARTMENTS | | | | | | |
| Iowa | - | - | - | 1 | - | - | - |
| Kansas | - | 9/ over 5,000 | - | ½-1 | - | - | - |
| Michigan | - | 10/ over 5,000 | $5,000,000 | - | 11/ $26,500 | - | - |
| Pennsylvania | - | under 300 per sq. mi. | - | 2 | 12/ $12,000 | - | - |
| | COUNTY FIRE DEPARTMENTS | | | | | | |
| Georgia | - | over 150,000 | - | - | - | - | - |
| Kansas | - | 13/ 11,500-13,000 | - | ½ | - | - | - |
| Michigan | - | over 5,000 | - | - | - | - | - |
| Texas | - | 14/ under 20,000 or over 350,000 | - | - | 15/ 2,750 | - | - |
| Virginia | - | 16/ 300-600 per sq. mi. | - | - | - | - | - |

1/ One of three laws.
2/ Or not less than 500 in towns with not more than 2,000 population.
3/ Districts authorized only in counties with such population range.
4/ Includes all debts as well as bond issues.
5/ Maintenance levy.
6/ Nor for more than may be repaid in three annual maximum tax levies.
7/ Without vote.
8/ Unless district includes the entire township.
9/ If there is no city to furnish such services.
10/ Law authorizes appropriations scaled according to certain population-assessed valuation groupings which amount to an upper limit of approximately $2 per person or per $1,000 of assessed valuation. See law for other population-assessed valuation groupings.
11/ Upper limit, with exception of depreciation on equipment, that may be voted by any township. See law for other special limitations.
12/ $7,500 for equipment and $4,500 annual maintenance.
13/ If a second-class city is included for fire-station headquarters.
14/ To contract for protection to serve in counties with less than 20,000 population; or to buy equipment in counties with a population of more than 350,000 and turn it over to fire companies to operate.
15/ Limit on expenditure for a fire truck.
16/ Or to provide protection in counties adjacent to counties with a population of more than 500 per square mile.

Minimum Requirements for Organization

In 12 of the 38 States the laws place some restrictions on one or more of the factors - such as area, population, or assessed valuation - regarded as essential before a rural fire-protection program may be organized (table 3). The recently revised rural fire-protection law of Michigan is more specific in setting up these minimum requirements than are the laws of most States. In this State an optional authorization provides that townships may appropriate up to an amount equal to approximately $2 per person or per $1,000 assessed valuation of property if the population is more than 5,000 and the assessed valuation is at least $5,000,000.

## General Observations

On the basis of preliminary studies of the actual operation of rural fire-protection units, there appears to be considerable merit in the country-wide type of administrative program. Under the county-unit plan many administrative services can be centralized and perhaps handled more efficiently and at lower costs than would be the case if each of a number of small subdivisions tried to operate alone. Fire companies can be located at strategic points in rural areas of the county and each can be assigned a zone to be protected so that there will be no overlapping of services. Intercounty arrangements can be developed so that areas close to county boundaries can be protected advantageously by those companies in either county located nearest the areas needing services. Fire-alarm systems can be linked together so that someone is always on duty to receive calls and to dispatch the nearest company to a fire and, if necessary, send additional companies under the mutual-aid arrangements.

Some administrative responsibility at the State level might also help to promote a well-rounded State-wide program of rural fire defense. A general weakness noted in State legislation appears to be that the responsibility for organizing local fire-fighting units is left to the initiative of local people who are not always familiar with the problems of establishing effective rural fire protection. A democratic procedure in handling local affairs is appreciated, but it should be recognized that local people could benefit financially in the long run by drawing upon the experience of technicians and administrators in developing equipment standards and in many other ways.

A State rural fire-protection committee of qualified men, perhaps under the chairmanship of the State fire marshal, can be of considerable aid in the organization of new fire-protection units in areas needing such services. Such a committee can help to develop uniform standards of efficiency in fire services, including the approval of training courses for firemen. In addition, such a committee can advise local groups in regard to requirements of local rating bureaus for reductions in the local rural fire-insurance premium rates. Statistics can be compiled and periodic surveys and inspections made by such committees to measure the progress of such programs.

The organization of local fire-protection officials into State associations might also create more interest in the promotion of needed rural fire-protection services. Certainly, it would encourage an exchange of ideas and experiences among rural fire-fighting officials which would serve both to make the existing programs more efficient and encourage other local groups to provide such services. Available reports indicate that only two such State associations of fire officials have been organized, one in Illinois and the other in New York.

The fire departments of small cities and towns still supply most of the fire-protection services that are available to farmers, so it appears that their governing bodies should take steps, where this has not been done, to obtain authorization for such outside services through State legislation. As volunteer firemen answer most farm-fire calls, it would be necessary in a number of States to pass legislation to include them specifically under the workmen's compensation acts. As they receive little or no remuneration for their work as firemen, it would be difficult, without such action, to establish "master and servant" relationships, or to calculate premium payments or compensation benefits unless arbitrary salary schedules were set up for the purpose of complying with the acts.

The growing tendency on the part of local fire departments to carry public liability (both bodily injury and property damage) insurance on fire trucks and workmen's compensation insurance on firemen, both paid and volunteer, should be further encouraged. This liability is usually assumed because of a widespread public recognition that the city, township, county, or district is probably more able to bear the loss resulting from accidents arising out of fire-suppression activities, either within or without the regular jurisdictional limits, than is the person whose property is damaged or the injured person or members of his or her family. If fire protection is considered a community responsibility that is all the more reason for the governmental unit to stand the loss.

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State Tax Collections in 1946.- According to a preliminary report by the Bureau of the Census, "Total State tax collections in the 1946 fiscal year amounted to almost $6.0 billion, a rise of 6.2 percent over the $5.6 billion of 1945... Excluding the yield from the unemployment compensation tax, which declined for the second year in succession, collections totaled $4.9 billion, or 13.1 percent above those of 1945... Most of the tax laws passed by the 44 State legislatures which met in regular session in 1945 became effective with the start of the 1946 fiscal year. Although they were more numerous than in any year since 1937, they did not bring about radical changes in the existing tax structures. Many rates were changed, mostly upward. Increased rates - occasionly new taxes - are found in the tax categories of alcoholic beverages, motor vehicle fuels, cigarettes, and severances. Exemptions and deferments in favor of veterans were a conspicuous feature of the 1945 tax legislation."

## FARM-MORTGAGE-DEBT SITUATION JULY 1, 1946

Farm-mortgage debt for the last 23 years has shown, with but one minor exception, a continuous, although somewhat uneven, decline. This decline occurred throughout a period of relative prosperity, throughout a period of severe depression, and throughout World War II. Now, just a year after V-J Day, there is substantial evidence of a well-defined reversal in this trend. The debt appears to have reached a turning point. On July 1, 1946 it was estimated to be about 80 million dollars higher than on January 1, 1946. This about offsets the decline which occurred during the full calendar year 1945, and places the debt at about $5,160, 000,000 on July 1.

Despite the change in direction of total farm-mortgage debt, there is still no uniformity in the trend of such loans held by the various lender groups. The large increase in the debt held by commercial banks and others in the first half of 1946 is partially offset by the reductions in the holdings of the federally sponsored agencies and life insurance companies.

The mortgage debt held by the Federal land banks continued to decrease in the first half of 1946 but such decline was only 2.7 percent as compared with 10.8 percent during the whole of 1945 and 17 percent and 15 percent in the 2 previous years. Since 1943, there has been thus a consistent tendency for the rate of decline in Federal land bank loans outstanding to become smaller each year. Repayments on Federal land bank loans during the last fiscal year have been offset, in part, by the mortgages and sales contracts acquired from the Federal Farm Mortgage Corporation under the provisions of Public Law 98. This act authorizes the Federal land banks to acquire eligible notes, mortgages, and contracts from the Corporation and to use such securities as collateral for farm loan bonds. A partial consequence of the transactions under these provisions in the first half of 1946 has been a 24-percent reduction in the amount of outstanding debt held by the Corporation. During the first half of 1945 the outstanding debt held by the Corporation fell only 7.1 percent, although in the two previous years the rate of reduction was nearly 20 percent.

The small decline in mortgage loans held by the Federal land banks during the first half of 1946 has not been uniform by Farm Credit districts. Five of the districts, generally in the Northeast, South, and far West, show an increase; it was as much as 6 percent for the Columbia District. On the other hand, some of the districts in the central West show a 5- to 7-percent decline. The farm-mortgage loans held by each of the Federal land banks showed a drop during 1945. The increase recorded by the five banks in the first 6 months of 1946 therefore represents a reversal in the trend for them. For the remaining seven banks as a group the decline in the first 6 months was only 4.4 percent as compared with

11.1 percent during the full calendar year 1945. The decline in debt held by the Corporation was general but was somewhat more pronounced in the central West than in other areas.

Loans held by the Farm Security Administration on July 1, 1946 showed little change over those held on January 1 of this year; this compared with a relatively small increase the previous years. It is not expected, however, that the relatively small change in Farm Security loans portends any major shift in the trend as the loan volume will probably be maintained or increased under the expanded provisions of the new Farmers' Home Administration Act.

A substantial increase has occurred since January 1 in the amount of farm-mortgage loans held by insured commercial banks. On July 1, such banks held 618 million dollars in loans as compared with 507 million on January 1, an increase of nearly 22 percent. This compares to seasonal increases of from 5 to 7 percent noted in other recent years. For the full year 1945 the increase was only 13 percent. Loans held by insured commercial banks have increased since January 1, 1944. The activity in 1944 and 1945, together with that for the first half of 1946, appears to indicate a fairly definite upward trend. But it is interesting that the volume of loans held on July 1, 1946 does not exceed the volume held on January 1, 1942 by more than 83 million dollars, or 15 percent. Although State and regional mortgage data are reported only on the basis of the location of the bank and not on the basis of the location of the security, it is evident that the major expansion in commercial bank farm-mortgage loans has occurred in the South and in the Mountain States. The debt in the Mountain States was as much as 38 percent larger on July 1, 1946 than 6 months earlier. In the South Atlantic group of States it was 30 percent higher and in the East and West South Central it was over 25 percent higher. These compare with increases of 17 to 22 percent in the North Central, the far East, and far West.

On the basis of farm mortgages recorded by individuals and miscellaneous lenders, it appears that the amount of farm-mortgage debt held by this group also has increased substantially. In the first half of 1946 individuals recorded, according to data from the Farm Credit Administration, 290 million dollars in farm-mortgage loans. This is 70 million dollars or 31 percent more than was recorded in a like period a year earlier. Further, miscellaneous lenders recorded 36 percent more. Although it also appears that the amount of mortgage releases increased during the period, the increase was so small that most of the increment in recordings probably resulted in net new mortgage indebtedness.

In summary, the first 6 months of 1946 have been characterized by substantial increases in the farm-mortgage debt held by commercial banks, by individuals, and by other miscellaneous lenders. At the same time, there has been a distinct slowing up in the rate of decline for the Federal agencies and life insurance companies. Related data indicate that these changes have resulted both from lower debt repayments and an increased volume of new debt. This change in trend was not unexpected and its further continuation seems possible. As goods become increasingly

available, many farmers will divert into new purchases money which otherwise would go into debt repayment. Others will find income and savings insufficient to buy the desired goods and will expand their borrowings. Either one of these financial actions by farmers tends to increase the debt. With agencies which formerly showed a substantial reduction in loans now showing a decided tendency to increase, such reductions will be no longer an offset to the increased debt held by individuals and others. If the present tendencies continue, therefore, the farm-mortgage debt could rise substantially in a short time.

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## FARM-MORTGAGE RECORDINGS MAINTAIN UPWARD TREND

The total volume of farm mortgages recorded during 1945 amounted to 1,054 million dollars, according to estimates made by the Farm Credit Administration (table 1). This represents an increase of 9 percent over the volume recorded during the previous year and an increase of 39 percent over the average volume for the years 1936-40. (See appendix table 8.) The upward trend has, with the exception of one year, been in evidence since 1938. The most recent reports received indicate that 802.5 million dollars of loans were recorded during the first half of 1946. This is the largest volume recorded during the first half of any year since 1934 and indicates a further continuation of the upward trend.

Although present indications point toward a continued large volume of recordings, and possibly some increases, it seems doubtful that the volume will rise to the level reached during the earlier postwar period of the 1920's. Certain conditions which now exist are less conducive to any great expansion in recordings than were the conditions during the earlier period. For one thing, farm-mortgage indebtedness is much less than it was after the First World War, and a larger proportion of it is on a long-term basis. Both of these factors tend toward less refinancing.

An increased volume of cash sales and an increase in the amount of down payments in connection with credit-financed sales indicate less need for borrowed funds and consequently a smaller dollar volume of recordings growing out of real estate transfers. This decrease in the need for borrowed funds arises from the increased prosperity of farmers during World War II, combined with wartime controls which curtailed the volume of spending during that period. Although some of the increased income has been used for larger than usual principal repayments on existing debt, some has also been available for the purchase of new properties. With the assurance of prices at or near 90 percent of parity for at least another 2 years, it seems reasonable to assume that some of this income will continue to be diverted into cash purchases and large down payments in connection with farm transfers and consequently the need for borrowed funds will continue to be somewhat restrained.

However, the volume of sales of farm property during the last 3 years has been running three-fourths or more above the prewar average. If this activity should continue in the near future a continued high volume of recordings might be indicated, even with the larger cash payments involved. This is particularly true as many farmers who intend to buy farm property in the postwar period are not among those who have large cash reserves. Those farmers who were able to profit by wartime prices and increased production may have accumulated funds with which to pay off existing debt or to buy new properties. Returned service men and others now going into farming may not have enough reserves and will require credit in buying their properties. Furthermore, the need for construction and improvements and for buying or replacing livestock and equipment, which has been cumulating during the wartime restrictions and deficiencies, will operate toward an increase in the volume of mortgages recorded.

A comparison of recordings following the outbreak of World War II with those during the First World War, shows a different distribution of total recordings among the lender groups. During the first war period, individuals made from 50 to 60 percent of the total volume; commercial banks, about 20 percent; and "other" lenders, about 11 percent. Life insurance companies varied considerably during that period with a range of from 7 to 14 percent, and the newly organized, federally sponsored agencies were relatively unimportant.

During World War II, individuals, although still recording the largest proportion of loans, accounted for only 30 to 40 percent of the total. Banks, with from 25 to 30 percent, and the federally sponsored agencies with about 10 percent of the total, were more important than during the first war period. Life insurance companies recorded a slightly higher percentage during the second war period, with an average of 18 percent, and "other" lenders varied from 6 to 12 percent, with a noticeable decline in recent years.

Individuals are the source of a large proportion of credit granted in connection with transfers of farm property. They also make a large proportion of the higher risk loans as, for instance, when the individual seller takes a mortgage for a higher percentage of the sales price than is customary in the case of other lenders.

Loans made by individuals are characterized by a diversity of terms and conditions. On the average, however, these loans tend to be for relatively shorter terms and to carry higher interest rates than in the case of loans from institutional lenders. Therefore, they are renewed more frequently than the long-term loans of the federally sponsored agencies or life insurance companies. The decline in the proportion of mortgages recorded by individuals between the two war periods is largely explained by the increasing importance of the Federal agencies and other institutional lenders.

Loans made by commercial banks are also for short terms, which is a factor in the relative importance of their recordings. However, the most important factor in the larger volume of bank loans is the change in bank

Table 1.- Farm mortgages recorded during selected years of World War I and World War II: Comparison of amount recorded, average size of loans, and percentage distribution by lender groups, United States

| Year | Outstanding farm-mortgage debt | Amount of mortgages recorded 1/ | Average size of loan recorded | Percentage distribution of total amount recorded by selected lender groups: Federal land banks and Federal Farm Mortgage Corporation | Individuals | Commercial banks | Life insurance companies | All others |
|---|---|---|---|---|---|---|---|---|
| | Mil. dol. | Mil. dol. | Dollars | Percent | Percent | Percent | Percent | Percent |
| | | | | WORLD WAR I | | | | |
| 1914 | 4,707 | 1,403 | 2/ | | 60.0 | 19.6 | 8.6 | 11.8 |
| 1915 | 4,991 | 1,486 | 2/ | | 54.9 | 21.0 | 12.4 | 11.7 |
| 1916 | 5,256 | 1,883 | 2/ | | 50.0 | 24.2 | 14.3 | 11.5 |
| 1917 | 5,826 | 2,017 | 2,640 | 2.0 | 53.7 | 20.0 | 12.9 | 11.4 |
| 1918 | 6,537 | 1,948 | 2,880 | 5.8 | 58.8 | 16.3 | 8.3 | 10.8 |
| 1919 | 7,137 | 2,939 | 3,460 | 4.7 | 57.6 | 18.4 | 7.3 | 12.0 |
| 1920 | 8,449 | 3,620 | 4,270 | 1.7 | 59.3 | 18.3 | 10.7 | 10.0 |
| | | | | WORLD WAR II | | | | |
| 1939 | 6,779 | 729 | 2,190 | 10.8 | 31.1 | 29.9 | 18.9 | 9.3 |
| 1940 | 6,586 | 772 | 2,290 | 13.0 | 29.2 | 28.5 | 18.8 | 10.5 |
| 1941 | 6,534 | 834 | 2,480 | 12.2 | 29.7 | 26.5 | 19.3 | 12.3 |
| 1942 | 6,484 | 763 | 2,690 | 10.7 | 32.6 | 25.0 | 20.3 | 11.4 |
| 1943 | 6,117 | 916 | 3,030 | 10.0 | 38.3 | 25.4 | 18.2 | 8.1 |
| 1944 | 5,635 | 971 | 3,220 | 10.6 | 39.8 | 26.3 | 16.6 | 6.7 |
| 1945 | 5,271 | 1,054 | 3,560 | 11.4 | 39.6 | 29.6 | 13.8 | 5.6 |

1/ Data for period 1914-20 from joint BAE-WPA project; those for period 1939-45 from Farm Credit Administration surveys. Because of differences in size of sample and in methods of collecting data, two series are not strictly comparable. 2/ Data not available.

practices and the desire of the banks to increase their farm-mortgage business. It is also true that the farmer is in closer contact and more intimately acquainted with his local bank officials than he is with officials of the large institutional lenders so he can sometimes get his local bank to adjust the terms and conditions of his loan, if income prospects change. The volume of mortgages recorded by commercial banks during 1945 represented almost 30 percent of the total volume recorded. This is about the same proportion as in 1938 and 1939, but the dollar volume of loans recorded by this lender group increased over 40 percent during these years. During the first half of 1946 the percentage of total recordings made by commercial banks was almost as large as that for individuals. In the second quarter of 1946, the volume of loans recorded by banks exceeded that of any other lender group, amounting to 139.2 million dollars compared with 133.0 million for individuals.

Loans closed by the Federal land banks during 1945 were almost 9 percent of the total volume of mortgages recorded during that year. These loans, in contrast to those often made by individuals and commercial banks, are long-term loans not involving renewals so a large proportion of the loans closed by the land banks represent new loans. The percentage of all recordings made by the land banks has shown little change since 1937.

Loans closed by the Federal Farm Mortgage Corporation, on the other hand, have been decreasing in relative importance since 1940 and in 1945 accounted for only 2.7 percent of the total volume. The change in regulations approved June 30, 1945, permitting the land banks to loan up to 65 percent of the normal value of the farm, has been one of the chief influences in the decrease in the volume of loans closed by the Corporation.

Life insurance companies maintained a higher percentage of total recordings during the Second World War than during the First, but the percentage has been decreasing since 1942 when it reached a high of more than 20 percent. In 1945 loans made by this lender group represented almost 14 percent of the total. During World War I, the percentage varied from about 14 percent in 1916 to slightly over 7 percent in 1919. The low percentages of the total volume of recordings made by insurance companies during 1918 and 1919 may be attributed in part to the newly created Federal land banks.

"Other" lenders include State and county agencies, building and loan associations, mortgage and investment companies, private corporations, and, in more recent years, the Farm Security Administration. During the First World War period these miscellaneous lenders accounted, on the average, for about 11 percent of the total volume of recordings. During the Second World War there was greater variation in the importance of these lenders. Since 1941 their importance has been decreasing and in 1945 loans made by these lenders represented only 6 percent of the total volume recorded.

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## SIZE, TERMS, AND CONDITIONS OF FARM MORTGAGES RECORDED

The substantial increase in volume of farm mortgages recorded in recent years invites an analysis of their size, terms, and interest rates. From data published by the Farm Credit Administration, it is possible to indicate some significant facts and trends concerning loans recorded. In general the increased volume has been accompanied by an increase in average size, a lengthening of average term, and a decrease in the over-all average interest rate.

### Average Size of Loan

Since 1939, the average size of mortgage loans recorded by all lenders, for the United States as a whole, has been increasing and in 1945 amounted to $3,560 (table 1). This is an increase of more than 10 percent over the $3,220 for the preceding year, and an increase of about 60 percent above the average for the period 1936-40. The increase in size of loan is associated closely with the rise in the value of farm real estate. In 1945, the index of value per acre of farm real estate (1912-14 = 100) for the United States as a whole was 126 compared with 114 for the preceding year and with an average of 84 for the period 1936-40.

Table 1.- Average size of farm mortgages recorded by selected lender groups, United States, 1936-45

| Year | All lenders | Federal land banks | Land Bank Commissioner | Individuals | Commercial banks | Life insurance companies | Miscellaneous lenders |
|---|---|---|---|---|---|---|---|
| | Dollars | Dollars | Dollars | Dollars | Dollars | Dollars | Dollars |
| 1936 | 2,220 | 4,130 | 1,980 | 1,650 | 2,020 | 5,600 | 2,160 |
| 1937 | 2,200 | 3,940 | 1,820 | 1,690 | 2,050 | 5,590 | 2,060 |
| 1938 | 2,110 | 3,620 | 1,680 | 1,570 | 1,920 | 5,410 | 2,270 |
| 1939 | 2,190 | 3,780 | 1,660 | 1,600 | 1,970 | 5,520 | 2,590 |
| 1940 | 2,290 | 3,760 | 1,680 | 1,670 | 2,000 | 5,760 | 2,830 |
| 1941 | 2,480 | 3,860 | 1,740 | 1,840 | 2,090 | 6,000 | 3,330 |
| 1942 | 2,690 | 3,880 | 1,750 | 2,070 | 2,270 | 6,320 | 3,380 |
| 1943 | 3,030 | 3,820 | 1,770 | 2,620 | 2,610 | 6,760 | 3,350 |
| 1944 | 3,220 | 3,680 | 1,750 | 2,930 | 2,830 | 7,160 | 3,540 |
| 1945 | 3,560 | 4,040 | 1,540 | 3,180 | 3,050 | 7,090 | 3,780 |

Farm Credit Administration.

In general the largest loans recorded during 1945, as well as during previous years, were those made by life insurance companies. They averaged $7,090. This is slightly smaller than the average for the preceding year, but is 23 percent greater than that for 1940. The increase between 1940 and 1945 in the average size of loan made by this lender group was evident in all geographic divisions. The activity of life insurance companies is concentrated largely in the North Central States, an area characterized by a concentration of high-valued farms. This is particularly true of the individual States of Iowa, Minnesota, and Illinois, which together accounted for 37 percent of all loans made by life insurance companies during 1945.

The average size of loans closed by the Federal land banks has changed very little in most recent years, but in 1945 it rose to $4,040 as compared with $3,680 the year before. The size of Land Bank Commissioner loans, made on behalf of the Federal Farm Mortgage Corporation, also showed little change until 1945 when the average size dropped to $1,540 compared with $1,750 in 1944. This contrasting trend is largely attributable to a change in law which permits the land banks to make loans up to 65 percent of the normal value of a farm instead of the previous limitation of 50 percent of the value of the land and 20 percent of the value of the buildings and improvements.1/ As a result of this change, the Commissioner now makes a smaller proportion of any joint loan, which is still limited in all cases to 75 percent of normal value.

The size of loans recorded by individuals has shown the greatest increase, the average for those recorded during 1945 being $3,180, or 90 percent greater than the average of $1,670 for 1940. A high percentage of the mortgages recorded by individuals arise when the seller takes a mortgage as part of the sales price. Therefore, the increase in the average size of loans made by individual lenders is explained in large part by the increase in the proportion of loans made for land transfers and the increase in land values which has been occurring since 1940 but which has been particularly sharp since 1943.

The average size of loans made by commercial banks has also been increasing and in 1945 amounted to $3,050 compared with $2,000 in 1940. Expanded operations and increased costs undoubtedly have resulted in larger production loans secured by farm properties. Furthermore, commercial banks have been making an increasing proportion of all loans made to finance transfers of farm real estate.

## Average Contract Term

The average term of loans recorded by all lenders during March 1945, for the United States as a whole, was 8.4 years. This over-all average represents a range from 22.9 years as an average for loans closed by the Federal land banks and the Land Bank Commissioner, to 4.5 and 4.9 years, respectively, as averages for loans recorded by commercial banks and individuals (table 2). Slightly over 80 percent of the loans closed by the federally sponsored agencies were for terms of 20 years or more compared

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1/ Public Law 98, approved June 30, 1945.

Table 2.- Average term of farm mortgages recorded by selected lender groups, by geographic divisions, 1917-21, 1922-26, 1927-31, 1932-35, and March 1945 1/

| Lender and period | United States | North Atlantic | East North Central | West North Central | South Atlantic | East South Central | West South Central | Mountain | Pacific |
|---|---|---|---|---|---|---|---|---|---|
| | Years | Years | Years | Years | Years | Years | Years | Years | Years |
| Federal land banks and Land Bank Commissioner: | | | | | | | | | |
| 1917-21 | 30.9 | 21.0 | 22.7 | 31.7 | 32.2 | 32.1 | 31.6 | 33.4 | 33.8 |
| 1922-26 | 29.6 | 23.5 | 23.3 | 32.0 | 32.0 | 31.5 | 28.3 | 32.1 | 32.5 |
| 1927-31 | 28.8 | 21.9 | 29.4 | 32.8 | 26.9 | 30.0 | 27.0 | 28.4 | 28.4 |
| 1932-35 | 20.7 | 15.6 | 22.9 | 23.0 | 16.6 | 17.7 | 18.9 | 17.3 | 17.7 |
| 1945 (March) | 22.9 | 22.2 | 24.1 | 25.1 | 18.8 | 16.8 | 22.7 | 23.0 | 27.1 |
| Individuals: | | | | | | | | | |
| 1917-21 | 3.7 | 5.3 | 4.4 | 4.5 | 2.4 | 1.8 | 3.4 | 3.7 | 3.1 |
| 1922-26 | 3.3 | 4.6 | 3.9 | 4.0 | 2.1 | 1.6 | 3.5 | 3.4 | 3.2 |
| 1927-31 | 3.1 | 4.4 | 3.6 | 4.0 | 2.0 | 1.5 | 3.2 | 3.4 | 3.2 |
| 1932-35 | 2.9 | 4.4 | 3.3 | 3.7 | 2.1 | 1.5 | 2.8 | 3.2 | 3.0 |
| 1945 (March) | 4.9 | 6.1 | 5.6 | 5.2 | 3.5 | 2.6 | 5.4 | 4.6 | 5.3 |
| Commercial banks: | | | | | | | | | |
| 1917-21 | 2.7 | 4.3 | 3.7 | 3.4 | 1.4 | 1.4 | 2.2 | 2.3 | 1.9 |
| 1922-26 | 2.5 | 3.4 | 3.3 | 3.1 | 1.3 | 1.4 | 2.3 | 1.9 | 2.2 |
| 1927-31 | 2.1 | 3.3 | 2.7 | 2.9 | 1.0 | 1.0 | 1.7 | 1.8 | 2.7 |
| 1932-35 | 1.9 | 3.2 | 2.5 | 2.8 | 1.0 | 1.0 | 1.6 | 1.4 | 1.9 |
| 1945 (March) | 4.5 | 7.9 | 5.8 | 5.2 | 2.1 | 1.3 | 4.1 | 3.7 | 5.5 |
| Life insurance companies: | | | | | | | | | |
| 1917-21 | 7.5 | 4.3 | 7.7 | 7.4 | 6.8 | 9.4 | 7.1 | 8.6 | 10.1 |
| 1922-26 | 8.7 | 3.7 | 10.0 | 8.0 | 10.6 | 11.0 | 8.3 | 8.6 | 9.6 |
| 1927-31 | 8.1 | 3.1 | 10.1 | 7.5 | 9.1 | 8.6 | 7.1 | 7.5 | 7.9 |
| 1932-35 | 7.2 | 5.9 | 7.3 | 6.4 | 9.1 | 8.8 | 7.6 | 8.9 | 8.4 |
| 1945 (March) | 15.0 | 2/ | 15.9 | 14.5 | 12.3 | 17.2 | 14.0 | 15.4 | 19.9 |
| Miscellaneous lenders: | | | | | | | | | |
| 1917-21 | 4.7 | 6.8 | 4.6 | 6.2 | 2.6 | 2.8 | 4.1 | 5.1 | 4.1 |
| 1922-26 | 5.7 | 6.2 | 5.1 | 8.5 | 2.2 | 2.2 | 5.0 | 6.7 | 6.5 |
| 1927-31 | 4.7 | 5.3 | 5.1 | 7.2 | 1.9 | 1.6 | 4.1 | 6.8 | 4.8 |
| 1932-35 | 4.3 | 5.6 | 5.3 | 4.9 | 2.7 | 2.1 | 4.9 | 5.7 | 4.3 |
| 1945 (March) | 10.5 | 2/ | 9.0 | 8.6 | 11.6 | 10.6 | 13.3 | 10.4 | 11.7 |

1/ Data for March 1945 from Farm Credit Administration.
2/ Inadequate data.

with only 1.5 percent for commercial banks and 0.8 percent for individuals. Over 75 percent of the loans recorded both by individuals and by commercial banks were for terms of 5 years or under. Twenty-seven percent of the loans recorded by insurance companies carried terms of 20 years or longer and only 5.4 percent called for payment in 5 years or less.

A historical comparison of the average term of loans recorded by the major lender groups in the various geographic divisions is presented in table 2. It should be noted that the most recent data are averages for a single month and consequently are not strictly comparable with those representing a period of years. This is especially true in the case of the month of March when the land market is particularly active. In making comparisons with the combined data for Federal land banks and the Land Bank Commissioner, it should be borne in mind that Commissioner loans were first made in 1933. Therefore, data for previous years relate exclusively to the land banks.

The most striking change between March 1945 and earlier periods is the longer term of loans made by life insurance companies. For the country as a whole, the average term of March 1945 loans was about double that of loans recorded in the earlier periods.

Land bank loans are usually amortized over a term of 30 years or more, whereas loans made by the Land Bank Commissioner are usually for a period of 10 to 20 years. The decrease in average term shown for these lenders in table 2 for the period 1932-35 reflects, to a large extent, the influence of loans closed by the Commissioner. In 1933 a majority of the loans of this agency were made for a 13-year term. The increase in length of term for the two agencies combined between the period 1932-35 and March 1945 arises both from a lengthening of term for Commissioner loans and from a change in regulations which enables the land banks to make larger loans and thus to provide a larger proportion of any joint loan.

Geographic differences in the average term of loans closed by the two Federal agencies combined reflect differences in the relative amounts of loans closed by each. The over-all average term of loans closed by these agencies during March 1945 ranged from an average of 27.1 years in the Pacific States to an average of 16.8 years in the East South Central States. Loans were also of relatively short term in the South Atlantic States. The generally shorter term of loans closed in the North Atlantic States in the earlier periods is partially explained by a greater proportion of special type farms, such as poultry, truck, and part-time farms, where relatively shorter term loans are considered more appropriate.

## Average Interest Rates

The Contract interest rates charged by all lenders on loans recorded during March 1945 averaged 4.7 percent or approximately one-fourth lower than in 1930 (table 3). This over-all average rate represented a range from an average of 5.1 percent for commercial banks to an average of 4.3

percent for life insurance companies and the federally sponsored agencies. By geographic divisions, the range was from an average of 5.5 percent in the East South Central States to an average of 4.3 percent in the West North Central States.

The average interest rate charged by each major lender group shown in table 3 has been decreasing since 1930 and the interest differential between lender groups has also narrowed. In recent years, declining money rates, combined with continuing competition from the low-interest-rate Federal agencies, caused a lowering of rates charged by other lenders.

In addition to changes in rates charged by each lender group, the over-all average also reflects changes in the percentages of loans recorded by different lender groups. For instance, the drop in the average rate for all lenders in 1933 to 1935 reflects the increasing importance of low-rate loans closed by the land banks and the Land Bank Commissioner. As the volume of loans closed by these agencies increased, the volume recorded by the other higher rate lender groups decreased, or became a smaller proportion of the total.

Table 3.- Average contract interest rates on farm mortgages recorded by selected lender groups, United States, for selected periods

| Lender group | 1920 | 1925 | 1930 | 1935 | March 1941 1/ | March 1943 1/ | March 1945 1/ |
|---|---|---|---|---|---|---|---|
| | Pct. | Pct. | Pct. | Pct. | Pct. | Pct. | Pct. |
| Federal land banks and Land Bank Commissioner | 5.5 | 5.4 | 5.5 | 4.7 | 4.5 | 4.4 | 4.3 |
| Individuals | 6.3 | 6.4 | 6.3 | 5.7 | 5.2 | 5.0 | 4.7 |
| Commercial banks | 6.9 | 6.8 | 6.8 | 6.3 | 5.7 | 5.3 | 5.1 |
| Life insurance companies | 6.1 | 5.5 | 5.8 | 5.5 | 4.5 | 4.3 | 4.3 |
| Miscellaneous lenders | 6.7 | 6.3 | 6.4 | 6.0 | 4.1 | 4.4 | 4.5 |
| ALL LENDERS | 6.4 | 6.3 | 6.4 | 5.4 | 4.9 | 4.8 | 4.7 |

1/ Data from Farm Credit Administration.

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## FARM REAL ESTATE HOLDINGS OF LENDING AGENCIES

Farm real estate owned by the more important lending agencies continued to move into the hands of owner-operators and other landlords during 1945, but the movement was at a somewhat slower rate than during other recent years. Disregarding certain bookkeeping adjustments made by one of the State credit agencies and considering only reductions resulting from actual disposals during 1945, the decline amounted to about 30 percent, compared with approximately 40 percent in both 1944 and 1943. Although the real estate market continued favorable, it is more than likely that the farms which these agencies now hold are less desirable and therefore harder to sell.

The total value of farm real estate on the books of lending agencies other than commercial banks totaled only $90,863,000 on January 1, 1946, as compared with $168,780,000 a year earlier. (See appendix table 11.) Approximately $27,000,000 of this reduction in dollar valuation resulted from a bookkeeping adjustment. These same lending agencies (excluding commercial banks) held farm real estate amounting to $880,982,000 at the beginning of 1940, $914,572,000 at the peak in 1937, and $183,120,000 at the beginning of 1930.

Life insurance companies continue to be the only lender group with farm real estate holdings of any size. As of January 1, 1946 the book value of their holdings was estimated at $81,616,000. This compares with $119,169,000 one year earlier, $599,653,000 at the beginning of 1940, and $634,005,000 at the peak in 1937. Even as early as 1930 this group had over $100,000,000 of farm real estate on its books. Life insurance company holdings as of January 1, 1946 were estimated to have a market value of more than $90,000,000.

Federal and federally sponsored agencies on January 1, 1946 reported investments in farm real estate in the continental United States totaling approximately $5,600,000, or only one-third the total at the beginning of 1945. The Federal land banks had an investment of only $1,916,000 as compared with $6,680,000 on January 1, 1945 and $125,800,000 at the beginning of 1940. The investment of the Federal Farm Mortgage Corporation in farm lands held at the beginning of 1946 totaled $2,111,000. This investment is inclusive of mortgage liens held by other lenders, largely the Federal land banks, and compares with holdings of $6,039,000 on January 1, 1945 and $40,378,000 at the beginning of 1940. Farm real estate owned by the joint-stock land banks, which have been in liquidation since 1933, was carried at $1,601,000 on January 1, 1946, $4,201,000 a year earlier, and $85,740,000 at the peak in 1934. Farm real estate acquired and held by the Farm Security Administration as the result of loan operations has been insignificant.

Data on the book value of farm real estate held by commercial banks are available for only a limited period, and consequently they were omitted from the over-all figures presented in earlier paragraphs. On June 30,

1942, the last date for which information is available, the book value was down to $19,532,000 from the previous known high of $74,166,000 on June 30, 1936. Data are unavailable for the years prior to that date. It is reasonable to believe that the reduction in farm real estate held by this group during recent years has been as great or greater than for other lender groups.

The largest drop in farm real estate held by any lender group, as reflected in book valuation or reported investment, occurred in the case of the State credit agencies. Almost the entire reduction from $32,691,000 at the beginning of 1945 to $3,619,000 one year later, however, was accounted for by a bookkeeping adjustment. The Rural Credit Board of South Dakota had not charged off its losses as they occurred over the years but accumulated them from year to year. As time went by, a larger and larger proportion of their reported investment in farm real estate was made up of cumulated losses. When the Rural Credit Board completed the liquidation of its real estate in 1945, the unrealized balance in the real estate account of approximately $27,000,000 was finally charged off. The $3,619,000 of farm real estate reported on January 1, 1946 was held by the Department of Rural Credit of Minnesota and the Bank of North Dakota, and is estimated to have a market value in excess of $10,000,000. Other State credit agencies, for which data are not available, undoubtedly had small holdings.

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## FARM REAL ESTATE VALUES AND TRANSFERS

Farm real estate values continued upward during the year ended March 1, 1946, bringing the index of average value per acre (1912-14 = 100) for the United States as a whole to 142 compared with 126 a year earlier. This represents a rise of 13 percent, which is exceeded only by the increases during the years ended March 1944 and March 1920. A further rise of 4 percent during the 4 months ended July 1, 1946 brought the index to 147.

Farm land values as of March 1, 1946 were 71 percent above the average for the prewar period 1935-39, which compares with a level in 1920 of 70 percent above the 1912-14 base. The 1935-39 level, however, was about 15 percent below that of 1912-14. By July 1, 1946 values were 77 percent above the 1935-39 average and only 14 percent below the 1920 peak.

During the year ended March 1, 1946, value increases by regions ranged from 18 percent in the East South Central States to 8 percent in the New England and Middle Atlantic States. In 2 States, North Carolina and Tennessee, the increase was 20 percent and in 32 States, 10 percent or more. In 13 States the increase equaled or exceeded the previous record increases of 1919-20. Furthermore, average values on March 1, 1946 were above 1919 levels in 33 States and above 1920 levels in 15 States. Measured from the 1935-39 level, increases in values by regions ranged from more than 100 percent in the East South Central States to approximately 35

percent in the New England region. In 7 States values were more than double their 1935-39 averages and in 12 other States were up more than 80 percent.

In four regions - the South Atlantic, East and West South Central, and Pacific - the index of average value per acre (1912-14 = 100) on March 1, 1946 exceeded that for the United States as a whole. In the East South Central region farm land values were more than double what they were in the 1912-14 period and in the Pacific region were almost double. In both these regions they were even above the 1920 peak. Values in the New England States were at the 1920 level and in the Middle Atlantic and South Atlantic regions were approaching it. In the West North Central region farm real estate values have risen only slightly above 1912-14 levels, and have remained substantially below the peak of 1920. The index for this area on March 1, 1946 stood at 106 as compared with 184 in 1920. Land values sank lower during the 1930's in the North Central regions, however, than they did in the rest of the United States.

The number of voluntary sales during the 12 months ended March 1946 increased about 7 percent over the number for the previous year, reaching a volume of 54.9 per 1,000 of all farms, which was within 2 percent of the record high of 1944. The increase was quite general the country over except for the Pacific States, which experienced a slight decrease. The sales volume in this region, however, was already the highest of any other geographic division. The largest increase occurred in the East North Central States.

Resales of farms held 2 years or less continued to make up about one-seventh of all sales, which is about the proportion recorded since the middle of 1944. In the seven western States, however, the proportion was in general more than one-fifth.

Farmers themselves made nearly two-thirds of all purchases, but the proportion varied from about three-fourths of all sales in the West North Central and Mountain States to approximately two-fifths in New England. A larger proportion of sales was made by individual owners, as the real estate holdings of credit agencies continued to decline.

Despite relatively easy credit conditions, cash sales continued to account for more than one-half of all voluntary sales. During 1945, such sales represented 58 percent of all sales reported, which was slightly more than the percentage for the year 1944. Such limited data as are available indicate that cash sales during and after World War I were a much smaller proportion of total sales. Down-payments in connection with mortgage-financed transfers showed some increase, averaging 43 percent of sales prices during 1945, as compared with 41 percent for the year 1944. The proportion was about one-third for 1941 and 1942. In the case of sales contracts, down-payments were considerably less.

Although the volume of cash sales has been large and down-payments substantial, mortgage debt has represented a large proportion of the sales price in many cases. During 1945, between one-fourth and one-third of all credit-financed sales had an initial encumbrance of at least 75 percent of the sales price, and almost three-fourths had a debt of 50 percent or more.

## BALANCE SHEET OF AGRICULTURE, 1946

Assets of agriculture totaled 101,522 million dollars on January 1, 1946. Debts were only 8,337 million dollars. Proprietors held equities of 93,185 million. During 1945 debts were reduced somewhat and assets became larger at least in dollar terms. Despite slightly reduced physical output and somewhat higher costs, the total net income from agriculture payable to landlords, tenants, owner-operators, laborers, and creditors was sustained at a high level in 1945. Including Government payments, such income was 16,831 million dollars of which the operators received 13,188 million. (See appendix tables 30 and 31.)

Overshadowing other changes in the balance sheet of agriculture was the increase in real estate valuation. Virtually the same acreage and buildings that were valued at 33,642 million dollars at the beginning of 1940, were valued at 50,295 million in 1945, and 56,584 million by 1946. The physical condition of the Nation's farms probably has not improved during the war and farm structures may now be more in need of repairs and improvements than before the war. The cycle of land prices in some respects seems to be repeating the course followed after World War I. However, average values in the United States have not yet risen as high as after the last war. In some areas, however, current prices per acre exceed anything known during the land boom at the beginning of the 1920's.

Next to land values in determining changes in the balance sheet has been the growth of farmers' financial assets. Although future estimates based on more comprehensive data may reveal a considerable margin of error in existing figures, it is believed that farmers held about 13,991 million dollars of deposits and currency and 5,028 million dollars of United States savings bonds on January 1, 1946. These liquid assets totaling 19,019 million dollars increased from 15,231 million dollars early in 1945 and 4,157 million early in 1940.

Possession of liquid assets in substantial amounts provides many farmers with a hedge against deflation. Real estate and other physical assets, on the other hand, provide farmers with a hedge against inflation. Yet only a comparatively small fraction of farmers own a high percentage of farmer-owned liquid assets. Increased wartime earnings probably have been more widely distributed. Many farmers have retired their debts and improved their standard of living even though their cash accumulations have been small.

During war years ownership equities in agricultural assets have increased both in dollar amount and in proportion to the total, whereas creditors hold smaller claims than before. Proprietary equities which include the financial interests of owner- and tenant-operators, landlords, and in some cases corporate stockholders, totaled 93,185 million dollars on January 1, 1946 as compared with 81,864 million a year earlier, and

43,682 million in 1940. Creditors claimed an interest in agriculture totaling 8,337 million dollars in 1946 as compared with 9,005 million in 1945, and 10,022 million in 1940.

Consideration of the over-all picture indicates that although price increases alone have made the balance sheet totals larger in each successive year since 1940, nevertheless, some real gains have been achieved. Debts have been reduced, liquid assets probably have accumulated more rapidly than the values lost through depreciation or depletion of farm plant, and some physical assets such as livestock have increased significantly in actual numbers as well as in value.

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## DEPOSITS IN COUNTRY BANKS

Farmers should find considerable interest in observing the level and changes in the volume of deposits in rural banks. They are concerned as depositors to the extent of their personal holdings. They are concerned as borrowers because pressure for collection of outstanding loans might become greater were deposits drained away. Considering the low ratio of loans to government bonds now held by banks, the latter contingency is remote. They are concerned as producers and consumers because of the interaction between bank deposits and the numerous economic forces affecting the welfare of the general economy.

During the war, total deposits in rural banks increased greatly. Since hostilities ceased the increase has been more gradual. Deposits of banks in towns of less than 15,000 in 20 leading agricultural States were only moderately higher in June 1946 than they were in January (appendix table 35). The index for total deposits in these selected country banks averaged 102 in 1940 (1924-29 = 100) as compared with 329 for 1945. In January 1946 the index was 389 and in July 1946 it was 392.

The unadjusted index of demand deposits of country banks was 553 for January but only 548 for July. However, after adjustment for seasonal influences, the July index was higher (at 560) than that for January (at 547).

The index of time deposits of country banks, which averaged 87 in 1940, was 156 in 1945. For January 1946, it was 177 and in July, 188. Though time deposits increased much less during the war, both relatively and absolutely than did demand deposits, the percentage gain made by time deposits during the first half of 1946 was greater than the percentage increase made by demand deposits. Savings going into time deposits appear to have continued to gain at the same time that demand deposits have been utilized freely for needed purchases.

The slowing down in the rate of increase in total deposits in rural areas has been accompanied by a great burst in rural retail sales, a heavy volume of which no doubt are made to farmers (appendix table 34). The net income of farm operators has been well sustained despite rising costs; but total expenditures for production and consumption, as reflected in rural trade, appear to be catching up with cash receipts.

Whether deposits in rural areas will remain stable or decline in future years depends on which way the balance of payments in those areas is tipped. It is a truism that if rural people, including farmers, pay more to outside areas than they obtain from receipts, bank balances and possibly currency will tend to decline, unless, of course, banks resort to counter-borrowing measures. An area analysis is required to predict the future in any given section. For example, one authority, after careful study, predicts that demand deposits in the Ninth Federal Reserve District may recede 15 to 20 percent from current levels.1/

Deposits in other agricultural areas would be influenced by a different weighting of the determining factors. These factors include, among other things, the physical productivity of agriculture; the demand, prices, and governmental supports, if any, for agricultural products; the propensity of rural people to spend; and the rate of capital inflows and outflows to and from agriculture.

The prospect that the Federal budget may more nearly come into balance means that the volume of deposits and currency for the economy as a whole may lose the activating influence of a Federal deficit financed in part by borrowing from the banks. As is now generally known, when a banking system buys Federal securities just as when it increases its total loans, it becomes liable to pay out an equivalent in deposits. As withdrawals from an individual bank tend to become deposits in other banks, the deposit level in a system of banks is closely associated with the volume of loans and investments made by the banks. Regardless of the trend of deposits as a whole, the rural segment of the economy may follow an entirely independent course.

1/ McCracken, Paul W., The Future of Northwest Bank Deposits, Federal Bank of Minneapolis, March 1946.

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## NON-REAL-ESTATE AGRICULTURAL CREDIT DEVELOPMENTS

During the first year after the return to peace, the volume of non-real-estate (short-term) credit used by farmers apparently expanded somewhat. Such debt, excluding Commodity Credit Corporation loans, owed the principal lending institutions increased from 1,827 million dollars on

June 30, 1945 to 2,090 million on June 30, 1946. Production costs are still on the increase; goods for the purchase of which credit may be used are becoming increasingly available; and large numbers of veterans and others are entering the farming business. More farmers appear to be using this type of credit and there has been an increase in the average size of such loans.

Nonrecourse loans either held or guaranteed by the Commodity Credit Corporation declined very substantially during the year ended June 30, 1946. This decrease is primarily the result of the fact that market prices for farm products were far above loan values.

## Commercial Banks

Commercial banks are the most important instutions from the standpoint of non-real-estate loans made to farmers. As of June 30, 1946 these loans from banks constituted 62 percent of such loans outstanding from all the principal institutional lenders. On June 30, 1946 non-real-estate farm loans of insured commercial banks, excluding CCC guarantees, totaled 1,269 million dollars - an increase of 22 percent over the 1,036 million outstanding on June 30, 1945. The increase in these loans was rather uniform for all regions except the West North Central. Loans in this region, which constitute over one-fourth of all such bank loans in the United States, increased only 8 percent. Outstanding loans in three States in this region - North Dakota, South Dakota, and Nebraska - actually declined slightly. Possibly the exceptionally high returns from wheat in this area permitted large debt repayments and reduced the need for new credit.

## Production Credit Associations

The volume of outstanding non-real-estate loans of the PCA's on June 30, 1946 was a record high for any June 30 since the system was organized in 1933. During the year just ended loans increased from 263 million dollars to 300 million, a rise of 14 percent. The volume of loans held were larger on June 30, 1946 than a year before in all States except Iowa, South Dakota, Arizona, Nevada, Utah, Minnesota, Nebraska, and Rhode Island. For the United States the number of borrowers with outstanding loans increased from 188,351 on June 30, 1945 to 195,688 a year later. Between these two dates the average size of outstanding loans increased from $1,395 to $1,535. The size of new loans made during the first 6 months of 1946 averaged $2,096 and $1,913 for the comparable period in 1945. This indicates a continuation of the upward trend of the last decade in the average size of new loans.

## Federal Intermediate Credit Banks

In addition to supplying loan funds to the PCA's the intermediate credit banks discount paper of other non-real-estate lenders, primarily agricultural credit corporations and livestock loan companies. The volume

of Federal intermediate credit bank loans and discounts to these lenders is a fairly good measure of their loans to farmers. Loans from the FICB's to these financing institutions totaled 33.5 million dollars on June 30, 1946, a 12 percent increase over the amount outstanding a year before. New loans made declined somewhat, however. For the fiscal year 1946 new loans totaled 76 million dollars compared with nearly 80 million for the fiscal year 1945.

## Farm Security Administration

On June 30, 1946 the outstanding rural rehabilitation loans of the Farm Security Administration totaled 315 million dollars compared with about 278 million outstanding at the end of 1945. Compared with a year earlier the June 30, 1946 figure was only 5 million larger. The increase during the fiscal year was rather general for all areas. The increase in the average size of loans mainly accounts for the larger outstanding volume. The average size of initial rural rehabilitation loans made in the fiscal year ended June 30, 1946 was $1,372 compared with $1,147 for the previous fiscal year. The average size of new supplemental loans made increased from $396 in the fiscal year 1945 to $480 in 1946.

The number of active "standard" borrowers on June 30, 1946 was 207, 491, a decrease from 220,555 the year before. Despite the apparent prosperous conditions that permitted many farmers to pay off their loans, the demand for funds by prospective borrowers is very large. The allotment for rural rehabilitation loans during the 1946 fiscal year was used up early in 1946 and an additional 15 million dollars was then appropriated. The total funds available for loans in the fiscal year of 1946 was nearly 100 million dollars compared with just under 80 million the year before. The number of initial rural rehabilitation loans made increased from 27,284 in the fiscal year 1945 to 44,727 in the fiscal year 1946; and the number of applications held for action on June 30, 1946 numbered 11,704 compared to 6,272 a year before. Over a third of the initial rural rehabilitation loans made in the fiscal year just ended were to veterans.

## Emergency Crop and Feed Loan Office

Loans held by the Emergency Crop and Feed Loan Office of the Farm Credit Administration totaled approximately 135 million dollars on June 30, 1946 compared with nearly 146 million a year before. Although repayments as a result of good farming conditions have been substantial, about half of the reduction in outstandings is the direct result of the cancellation of old loans now permitted in certain instances by law. New loans made through June in the 1946 season totaled 15.2 million dollars compared with 14.5 million made in the comparable period of the previous year. Over a third of the new loans were made in three southeastern States - North Carolina, South Carolina, and Georgia. The total number of new loans made in the 1946 season was 72,614 or very little different from the 73,381 loans made during the 1945 season. The average size of loans made, however, increased from $197 in the first 6 months of 1945 to $209 for the same period in 1946.

### Regional Agricultural Credit Corporation

The outstanding loans of this Corporation, which is in liquidation, amounted to only 3.8 million dollars on June 30, 1946 compared with 9.5 million on June 30, 1945 and 20.6 million on June 30, 1944. Of the current outstanding volume of loans, about 3.4 million represents the balance due on loans made mainly in 1943 and 1944 for wartime food production. The amount outstanding on the special fruit loans in the Wenatchee area of the State of Washington have been reduced to about $360,000, and the loans made under the original programs of the Corporation are down to about $29,000.

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## COMMODITY CREDIT CORPORATION

**The main functions of the Commodity Credit Corporation involve the support of farm prices, control of food costs to the consumer and the purchase of agricultural commodities for use at home and abroad. Although the programs for fulfilling these and other CCC functions are varied, they fall into three general classes: Commodity purchase, subsidy, and loan programs.**

### Commodity Purchase Programs

The largest part of the Corporation's activity during the war consisted of the procurement and distribution of large quantities of agricultural supplies and products to meet the needs of lend-lease, the armed forces, the Red Cross, UNRRA, and other agencies. Total purchases made by the Corporation during the year ended June 30, 1946 amounted to 2.1 billion dollars. Sales during this period totaled 3.0 billion dollars. These figures compare with purchases of 2.6 billion and sales of 3.1 billion in the previous fiscal year of 1945. Of the total purchases made in the fiscal year 1946 about 1.25 billions were for the "Basic," "Steagall," or "Other" commodities excluding those under the so-called General Commodities Purchase Program. These purchases chiefly included wheat, 447 million; soybeans, 330 million; wool, 192 million; tobacco, 143 million; cotton, 63 million; and corn, 52 million. Soybean purchases were largely subsidy transactions involving the purchase from the processor and the resale to him at a lower price. Purchases under the GCP program amounted to 757 million dollars in fiscal 1946. The principal commodities involved in this GCP program were dairy and poultry products, livestock products, grain products, and fruits and vegetables. This program was replaced on June 30, 1946 by the General Supply Program which will be similar to the GCP program in serving foreign governments, UNRRA, relief, and other agencies.

## Subsidy Operations

With the sole exception of sugar, all subsidy programs were terminated by July 28, 1946. Despite the discontinuance of several subsidy operations during the fiscal year 1946, expenditures and accrued obligations for that year exceeded those for the previous year by 102 million dollars. The total subsidy cost in 1946 amounted to 845 million dollars, as compared with 743 million dollars in 1945. Subsidies on milk and its products totaled 544 million; on meat animals, 75 million; on fruits and vegetables for processing, 103 million; on sugar, 70 million; on oilseeds and products, 46 million; and on other programs, 7 million.

## Loan Program

Loans held by the Corporation and CCC guaranteed loans held by banks were reported by the Corporation to be 48 million dollars on June 30, 1946 compared with 309 million on June 30, 1945 and 436 million a year earlier. Loans made during the fiscal year 1946 totaled only 170 million dollars, as compared with 527 million in the fiscal year 1945 and 528 million during the 1944 fiscal year. The extremely low volume of loan operations during the 1946 fiscal year reflects the large consumer demand for farm products and the fact that market prices in general are in excess of loan rates. Of the total loans made during the fiscal year 1946, wheat loans amounted to 66 million dollars and potato loans amounted to 44 million dollars. Peanut and cotton loans amounted to over 25 million and 22 million dollars respectively.

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## LOANS TO VETERANS BY FEDERALLY SPONSORED AGENCIES

Veterans of World War II are obtaining both long-term mortgage and short-term production loans from federally sponsored lenders. These include the Federal land banks, the Federal Farm Mortgage Corporation, and the production credit associations under the Farm Credit Administration and the Farm Security Administration. The loan terms and conditions for such agencies qualify under the Servicemen's Readjustment Act of 1944 which provides in major part for the guarantee of a portion of the loan, for free interest on the guaranteed portion for one year, for interest not to exceed 4 percent, and for limitation on the amount of the loan based upon the normal value of the security. Two changes in existing statutes were required before the land banks and the Corporation could qualify as lenders under this Act. The Servicemen's Readjustment Act itself was amended to permit borrowed funds to be used in the purchase of land bank stock and the Emergency Farm Mortgage Act was amended to permit loans to veterans at 4 percent instead of 5 percent.

During the calendar year 1945 long-term real estate loans made to veterans by the land banks and the Corporation amounted to $2,425,000. These loans were extended to 608 veterans and averaged about $4,000 per loan. In the first 6 months of 1946 the two agencies made loans to 1,852 veterans for a total of $5,171,000. Some veterans received both a land bank and a Corporation loan so the total number of individual borrowers was only 1,216.

In addition to the long-term real estate loans made through the land banks and the Corporation, the Farm Credit Administration extends short-term production loans to veterans through the production credit associations. In 1945 these associations made production loans to 1,806 veterans totaling $5,646,000 or an average of $3,100 per loan. In the first half of 1946 they made 4,853 such loans totaling $10,262,000. Total credit to veterans through agencies of the Farm Credit Administration thus was over 8 million dollars in 1945, while in the first 6 months of 1946 such credit amounted to more than 15 million dollars or nearly double the volume for the full year 1945.

Both real estate and short-term production loans are also extended to veterans by the new Farmers Home Administration. This agency, under the Farmers' Home Administration Act approved August 14, 1946, took over on November 1 most of the functions of the Farm Security Administration and certain of the functions of the emergency crop and feed loans previously made under the Farm Credit Administration. Long-term real estate loans made direct to veterans by the Farm Security Administration accumulatively amounted to $14,319,000 by June 30, 1946. These loans have been extended to 1,808 veterans or an average of $7,920 per loan. Furthermore, the Farm Security Administration has made direct production loans to 17,779 veterans amounting to $27,527,000, or an average of $1,548 per loan. Supplemental rural rehabilitation loans have also been extended to 2,257 veterans totaling $1,629,000. Figures for the Farm Security Administration are all cumulative to June 30, 1946. Some veterans may have received more than one loan so that the number of loans does not represent the number of individual veterans who have received credit. Provisions governing the extension of credit to veterans in the future under the provisions of the Farmers' Home Administration Act are discussed in the article beginning on page 27.

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## CROP INSURANCE

After a year without Federal crop insurance (1944), Congress late in 1944 revived and expanded the crop-insurance program. The Federal Crop Insurance Corporation, under this authorization offered insurance on the 1945 cotton, spring wheat, and flax crops but not on the 1945 winter wheat crop, as it had already been planted. The Corporation also offered trial insurance in 1945 on corn and tobacco in a limited number of counties.

Operating statistics for 1945 are shown for cotton, wheat, and flax, by States, in appendix tables 27, 28, and 29, and for the trial crops in table 1. In 1945, for the first time, the Corporation collected more in wheat premiums than it paid out as indemnities. Indemnities were 43 percent of premiums for the United States as a whole. For flax the ratio was 59 percent. However, heavy losses were sustained in connection with cotton, so that indemnity payments totaled more than 335 percent of the premiums collected.

Table 1.- Experimental crop insurance, 1945 experience, as of July 31, 1946

| Crop and plan of insurance | Farms | Premiums | | Indemnities | |
|---|---|---|---|---|---|
| | Number | Bushels | Dollars | Bushels | Dollars |
| Corn: | | | | | |
| Yield plan | 10,007 | 321,639 | | 519,906 | |
| Investment-cost plan | 3,570 | | 65,715 | | 40,644 |
| Tobacco: | | | | | |
| Yield-quality plan | 11,938 | | 637,025 | | 515,979 |
| Investment-cost plan | 1,888 | | 41,630 | | 454 |

## Insurance in 1946

In 1946, as in 1945, wheat, cotton, and flax were insured nationally, whereas corn and tobacco were again insured on a trial basis. Crop insurance was not offered on any new crops in 1946, but a few counties were added in connection with the trial insurance on corn and tobacco. Participation by farmers in the Federal crop insurance program, as measured by the number of farms insured, is shown for 1945 and 1946 in table 2.

Table 2.- Federal crop insurance: Number of farms insured in 1945 and 1946 programs, by crops

| Crop | 1945 | 1946 1/ |
|---|---|---|
| | Number of farms | Number of farms |
| Wheat . . . . . . . . . . . . . . . . | 2/ 19,459 | 385,497 |
| Cotton . . . . . . . . . . . . . . . | 113,792 | 136,873 |
| Flax . . . . . . . . . . . . . . . . | 31,800 | 13,384 |
| Corn 3/ . . . . . . . . . . . . . . | 10,415 | 8,715 |
| Tobacco 4/ . . . . . . . . . . . . | 13,826 | 14,261 |

1/ Preliminary.
2/ Insurance offered only on spring wheat in 1945.
3/ Trial insurance offered on corn in 15 counties in 1945, and in 19 counties in 1946.
4/ Trial insurance offered on tobacco in 13 counties in 1945, and in 19 counties in 1946.

Several new features were introduced in 1946, however, which may be of interest to those who are following the program. A "continuous" contract, subject to annual cancellation by either the farmer or the Federal Crop Insurance Corporation, is being tried in connection with cotton. A 3-year contract had been used in connection with wheat for several years. A "long-term" or continuous contract - even with the annual cancellation privilege as in the case of the cotton contract - should reduce some of the year-to-year selectivity and avoid the necessity of reselling all of the insurance every year.

Early in the crop-insurance program an individual premium rate and an insured production was determined for each farm. It has since been recognized that past yields for individual farms usually are not available for a long enough period to permit determination of an accurate farm rate from the variations in yields, though perhaps they are adequate to provide a fairly reliable indication of the "expected" yield in the year of insurance. As the rates could not equitably be determined from past yield records, the trend has been toward the use of a more or less "flat" rate for each county, but with an individual insured production for each farm. With the adoption of county premium rates for cotton in 1946, all crops in both the permanent and trial programs usually are insured under uniform county-wide rates. Higher rates are charged on certain "high risk" farms in a county. In the case of wheat, flax, and corn, the premium rate is in bushels per acre; for cotton and tobacco it is in pounds per acre.

"Partial coverage" was introduced in 1946 as a means of permitting farmers to select less protection, and to pay for it at proportionally reduced rates, if they so desired. As this applied to spring wheat, cotton, flax, and tobacco, the farmer could buy a percentage of the standard (75 percent, sometimes 50 percent) contract. Premiums and indemnities were both figured at the full coverage without regard for the partial insurance, but each was then reduced (the latter in case of loss) by the selected percentage. As the plan was used with corn, the farmer was permitted to insure a fraction of his corn acreage - for example, one-third of 30 acres - but he could not select any particular acreage for insurance. He insured an undivided portion of his total acreage. The average yield for the entire acreage determined whether an indemnity was due, and how much, with respect to the insured acreage. The loss was first computed for the total acreage, then such loss was multiplied by the ratio of the insured acreage to the total acreage to determine the amount of the indemnity due under the partial insurance contract. In the example, the farmer would be paid only one-third of any loss that would have occurred had the entire 30 acres been insured. Partial insurance was not introduced until after the winter wheat crop for harvest in 1946 was planted, but was put into effect in one form or another in connection with the spring wheat, cotton, flax, corn, and tobacco crops.

Partial coverage was not widely sold in 1946, probably partly because farmers sometimes did not realize that losses started at the same figure as under the regular contract, the only difference being that under the partial-insurance contract the farmer and the Corporation shared the loss or deficit by which the actual production failed to equal the insured

production. For example, a farmer whose average production is 1,200 bushels might obtain insurance for 900 bushels under the 75-percent contract. If he produced only 600 bushels he would receive the cash equivalent of 300 bushels as an indemnity under the standard 75-percent contract. If, however, he had selected 60 percent partial coverage, he could claim only 180 bushels (60 percent of 300), as his premium had been reduced to 60 percent of the premium required for the regular contract.

Two "experience-rating" or premium-reduction plans were offered wheat and cotton farmers in 1946, instead of one.1/ A plan was in use whereby the farmer with a balance of premiums over indemnities in favor of the Corporation which equaled or exceeded his insured production for the current year might obtain a 50-percent premium-rate reduction. However, an alternative plan was offered in 1946 whereby a 10-percent reduction in his premium rate for the current year might be obtained if the farmer had had 5 consecutive years without a loss (excluding 1944, when no insurance was offered). Of course, only one of the reduced-premium plans could apply to any one farmer.

## Experimental Program

Insurance under the experimental program may be either (1) yield insurance not to exceed 75 percent of the farm-average yield during a representative base period or (2) investment-cost insurance for not more than 75 percent of the investment in the crop, as determined by the Corporation. When a dollar coverage is in effect, which is compared with actual returns to arrive at losses, such losses may result from low yield, poor quality, a decline in prices, or any combination of the three. The presence of price supports under other programs makes it possible for the Corporation to offer dollar-investment-cost insurance on certain commodities with price supports, such as corn, at little if any increase in risk over that involved in covering only losses in yield and quality. Thus an investment-cost plan may be used to cover essentially only the production risks that lie within the scope of the Corporation's activities.

The trial insurance on a crop may be for not more than 3 years nor in more than 20 counties, and any extension to the country as a whole would require congressional action. In 1945 trial insurance was offered on corn in 15 counties and on tobacco in 13 counties. In 1946 insurance was offered in these same counties and others were added to make 19 counties in all for each of these crops.

In 1945, yield insurance on corn was offered in 12 counties.2/ Investment-cost insurance was offered in 4 other counties.3/ In 1946, the 4

1/ A premium-reduction plan will not be offered, however, in connection with cotton in 1947.

2/ Turner, S. Dak.; Saunders, Nebr.; Phillips, Kans.; Redwood, Minn.; Carroll, Mo.; Sauk, Wis.; Hillsdale, Mich.; Miami, Ind.; Champaign, Ohio; Kent, Md.; Marion, Iowa; and Montgomery, Ill.

3/ Buena Vista, Iowa; Vermillion, Ill.; Redwood, Minn.; and Chester, Pa.

following counties were added: Madison, Alabama; Houston, Georgia; McLennan, Texas; and Daviess, Kentucky. Investment-cost insurance was offered in all 4 of these counties, and in the last-named county yield insurance was also offered.

In 1945, "yield-quality" insurance on tobacco was offered in 13 counties.4/ Investment-cost insurance was offered in 10 of these same counties - all except Cook, Georgia; Marion, South Carolina; and Maury, Tennessee. In 1946 the following 6 counties were added: Hartford, Connecticut; Jefferson, Indiana; Simpson, Kentucky; Charles, Maryland; Brown, Ohio; and Montgomery, Tennessee. Both yield-quality and investment-cost insurance were offered in these 6 counties; however, in the Connecticut and Maryland counties only 60 percent, instead of 75 percent, yield-quality coverage was made available.

Under "yield-quality" insurance the tobacco grower is assured a return equal to (1) 75 (or 60) percent of his average yield, times (2) his "quality index," multiplied by (3) a representative market-average price in the year of insurance. His quality index is his own average price for a base period divided by the market-average price for the same period. The value of the insurance therefore is not known until the representative price in the year of insurance becomes known. In the meantime the farmer's coverage is carried in pounds - as the product of (1) and (2). The farmer's premium note, likewise carried in pounds, is converted to dollars at the same price that is used for the coverage. If the grower's returns are less than his coverage, as finally expressed in dollars, he is indemnified for the difference. As the value in the year of insurance is not established until the representative price after harvest has been determined, the element of price risk to the Corporation from changes in the general level of tobacco prices between planting and harvest time is eliminated. Thus the grower is insured on the basis of his relative position in the market; but whether he shares in a high or low market is a risk he continues to assume.

4/ Surry, N.C.; Vance, N.C.; Wilson, N.C.; Pittsylvania, Va.; Lunenburg, Va.; Cook, Ga.; Marion, S.C.; Greene, Tenn.; Maury, Tenn.; Bourbon, Ky.; Larue, Ky.; Lancaster, Pa.; and Vernon, Wis.

## FARM REAL ESTATE TAXES IN 1945 AND 1946

Average farm real estate taxes per acre for the Nation as a whole in 1945 were more than 10 percent higher than in 1944. Preliminary indications are that the 1946 levies will show a further increase, possibly about as much as that in the previous year. Together, these two increases reflect the first major change of the trend in these levies in more than

a decade. The index of real estate taxes per acre for the United States (1909-13 = 100) advanced from 184 in 1944 to 203 in 1945 (appendix table 23). If the further advance suggested by preliminary reports should materialize the 1946 index number will be the highest since 1932.

Taxes per $100 of real estate value declined slightly in 1945. The decline from $0.80 in 1944 to $0.79 in 1945 is the smallest since 1940. For the past several years the principal influence in changes in taxes per $100 of value has been the upward trend in farm land values. In those years since 1940 that taxes per acre increased, the increases in land values were even greater. As a result, taxes per $100 of value have declined continuously since 1940.

Changes in taxes per acre for the individual States between 1944 and 1945 were characterized by a wide range of increases. In only two States was there a decrease from 1944 and the decline was small in each. Taxes per $100 of value increased in about two-fifths of the States and decreased in three-fifths. As land values advanced in all States, this result reflects mainly the frequency with which the value increases were greater than the tax increases.

The increase in farm real estate taxes per acre in 1945 and the probable further advance in 1946 reflect to a large extent influences related to the end of the war. Most of the levies of 1945 were fixed either after the end of hostilities or when it was becoming evident that the end was near. This permitted local taxing bodies to consider restoring or expanding services and activities which had been eliminated or curtailed during the war. A specific and important item was the pressure to increase salaries and wages of school teachers and other public employees. Also in the picture was the higher cost of all types of materials and supplies used for both general operations and construction. These factors, continuing in 1946, will be reflected in the 1946 levies.

The pressures that led to higher taxes in 1945 and 1946 are similar to those which brought sharp increases during and immediately after World War I. But, as was pointed out a year ago, there are certain differences between the two periods. These relate particularly to the position of property taxes in the State and local revenue systems and to the allocation among the levels of government of fiscal responsibility for various functions.

In contrast to the situation during the World War I period, many States have been relying heavily upon taxes on motor fuel, income, and retail sales. Rising price levels tend to increase the revenues from taxes on incomes and retail sales, and to that extent to reduce the pressure for increases in taxes on property. As to the responsibility for various functions, the tendency has been to shift some of this upward from local to State governments. As State governments have been deriving a growing proportion of their revenues from taxes other than those on property this also tends to keep property taxes from rising.

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## FARMER BANKRUPTCIES

Bankruptcies among farmers declined further in the years ended June 30, 1945 and 1946 and reached new all-time lows for the period since the National Bankruptcy Act became effective in 1898. The number of cases filed by farmers totaled only 303 in the year ended June 30, 1945 and 259 in the fiscal year 1946 (table 1). These are exclusive of 1,172 and 774 cases handled under section 75 of the act in those years respectively.1/ The 259 cases in 1946 amounted to less than 10 percent of the number of similar cases filed in 1940. Furthermore, farmer cases constituted only 2.5 percent of all bankruptcy cases filed in 1946 compared with 5.0 percent in 1940.

The trend of bankruptcy cases filed by farmers in recent years has varied considerably by regions, with the West South Central and Mountain regions actually showing increases in the fiscal year 1946. These were also the regions where farmer cases represented the largest proportion of all cases filed. The drop in number of cases filed by farmers during the past few years has been particularly noticeable in the West North Central States where the number filed in other years was relatively large.

Farmer bankruptcies filed during the First World War reached their peak in the year ended June 30, 1917 with a total of 1,906. But even then they were a relatively small proportion of all cases filed. By 1920 tho war-induced prosperity had reduced the number of cases to 997. A similar trend was evident during World War II, although the decline was much greater. The drop in farm prices in the early 1920's was soon followed by an unprecedented rise in farmer bankruptcies that reached a peak of 7,872 in 1925. In that year and in the 2 years preceding, farmer bankruptcies were also at their peak in relation to total bankruptcies, approximating one-sixth of all cases filed. It was not until 1936 that the number of cases filed by farmers again dropped below 4,000.

A substantial drop occurred during the year ended June 30, 1946 in the number of cases handled under section 75 of the Bankruptcy Act, although some increase had taken place in the preceding fiscal year. In 1946 the number of cases totaled 774 as compared with 1,172 in 1945 and 1,748 in 1940 (table 2). These are in addition to the cases handled under other provisions of the Bankruptcy Act. Of the total number of cases handled under section 75, only a few were successfully concluded - 8 in fiscal year 1946 and 15 in 1945. An increasingly larger proportion were liquidated under subsection 75 (s), which provides for a modified form of bankruptcy in case a composition or extension cannot be concluded. The largest proportion, however, was simply dismissed. Approximately one-half of of the total cases handled under section 75 were concentrated in the West North Central region, largely North Dakota.

1/ Section 75 permits the composition and extension of farmers' debts, and subsection 75 (s), otherwise known as the Frazier-Lemke Act, permits a moratorium if a satisfactory settlement cannot be reached. These provisions do not involve actual bankruptcy, although subsection 75 (s) provides for a modified form of it.

The bankruptcy data here presented are useful as a measure of the financial difficulties which farmers are encountering. But it should be kept in mind that bankruptcy is not used to any large extent by farmers in dealing with difficult debt problems. Even at the peak in 1925 only about one-tenth of 1 percent of all farm operators were involved in bankruptcy proceedings. One reason is that farmers may not be placed in bankruptcy involuntarily. Another reason is that the liquidation of debt by foreclosure is a more common practice than by bankruptcy because of the large proportion of farmer debts secured by physical assets. It may be that the various methods of debt adjustment developed during the depression of the 1930's have frequently eliminated the need for more formal means.

Table 1.- Number of bankruptcy cases filed by farmers compared with total of all bankruptcy cases filed, United States, years ended June 30, 1937-46, and by geographic divisions, years ended June 30, 1945-46

| Year and division | Total cases filed | Farmer cases filed | Farmer cases as a percentage of all cases |
|---|---|---|---|
| | Number | Number | Percent |
| United States: | | | |
| 1937 | 54,959 | 2,479 | 4.5 |
| 1938 | 49,444 | 1,799 | 3.6 |
| 1939 | 43,795 | 1,422 | 3.2 |
| 1940 | 52,368 | 2,622 | 5.0 |
| 1941 | 56,893 | 2,334 | 4.1 |
| 1942 | 52,004 | 2,042 | 3.9 |
| 1943 | 34,661 | 1,144 | 3.3 |
| 1944 | 19,504 | 504 | 2.6 |
| 1945 | 12,847 | 303 | 2.4 |
| 1946 | 10,175 | 259 | 2.5 |

| Geographic division | Total cases filed 1945 | Total cases filed 1946 | Farmer cases filed 1945 | Farmer cases filed 1946 | Percentage 1945 | Percentage 1946 |
|---|---|---|---|---|---|---|
| New England . . . . | 630 | 489 | 13 | 10 | 2.1 | 2.0 |
| Middle Atlantic . . | 2,760 | 1,912 | 38 | 27 | 1.4 | 1.4 |
| East North Central | 2,961 | 2,084 | 40 | 27 | 1.4 | 1.3 |
| West North Central | 889 | 641 | 58 | 26 | 6.5 | 4.1 |
| South Atlantic . . | 933 | 712 | 37 | 32 | 4.0 | 4.5 |
| East South Central | 2,477 | 2,374 | 18 | 15 | .7 | .6 |
| West South Central | 234 | 304 | 34 | 59 | 14.5 | 19.4 |
| Mountain . . . . . | 261 | 203 | 19 | 26 | 7.3 | 12.8 |
| Pacific . . . . . . | 1,702 | 1,456 | 46 | 37 | 2.7 | 2.5 |
| UNITED STATES . . . | 12,847 | 10,175 | 303 | 259 | 2.4 | 2.5 |
| Territories and possessions 1/ | 15 | 21 | 2 | 1 | 13.3 | 4.8 |

1/ Alaska, Hawaii, and Puerto Rico.

Administrative Office of United States Courts.

Table 2.- Number of cases concluded under section 75 of the Bankruptcy Act, United States, years ended June 30, 1937-46, and by geographic divisions, years ended June 30, 1945-46

| Year and division | Cases successfully concluded under section 75 | Cases disposed of without composition or extension: Under subsection 75 (s) | Cases disposed of without composition or extension: Other | Total cases concluded |
|---|---|---|---|---|
| | Number | Number | Number | Number |
| United States: | | | | |
| 1937 | 216 | 1/ | 2,455 | 2,671 |
| 1938 | 152 | 124 | 2,428 | 2,704 |
| 1939 | 186 | 103 | 2,309 | 2,598 |
| 1940 | 162 | 185 | 1,401 | 1,748 |
| 1941 | 145 | 142 | 1,312 | 1,599 |
| 1942 | 115 | 165 | 994 | 1,274 |
| 1943 | 59 | 126 | 1,016 | 1,201 |
| 1944 | 31 | 181 | 875 | 1,087 |
| 1945 | 15 | 351 | 806 | 1,172 |
| 1946 | 8 | 282 | 484 | 774 |

| Geographic division | 1945 | 1946 | 1945 | 1946 | 1945 | 1946 | 1945 | 1946 |
|---|---|---|---|---|---|---|---|---|
| New England . . . | 1 | 1 | 1 | 0 | 2 | 0 | 4 | 1 |
| Middle Atlantic . | 2 | 0 | 5 | 1 | 21 | 5 | 28 | 6 |
| East North Central | 3 | 0 | 13 | 7 | 106 | 78 | 122 | 85 |
| West North Central | 0 | 2 | 304 | 247 | 293 | 123 | 597 | 372 |
| South Atlantic . | 1 | 3 | 12 | 6 | 43 | 44 | 56 | 53 |
| East South Central | 1 | 1 | 1 | 0 | 18 | 12 | 20 | 13 |
| West South Central | 0 | 0 | 2 | 0 | 138 | 48 | 140 | 48 |
| Mountain . . . . | 1 | 0 | 1 | 2 | 22 | 21 | 24 | 23 |
| Pacific . . . . . | 6 | 1 | 12 | 19 | 163 | 153 | 181 | 173 |
| UNITED STATES . . | 15 | 8 | 351 | 282 | 806 | 484 | 1,172 | 774 |
| Puerto Rico . . . | 19 | 0 | 0 | 0 | 8 | 0 | 27 | 0 |

1/ Included with "other."

Administrative Office of United States Courts.

RESEARCH PROJECTS IN AGRICULTURAL FINANCE
Agricultural Credit, Agricultural Insurance, Farm Taxation, Local Government, and Public Finance

The following research projects are currently "in progress" in the field of agricultural finance. State projects include those reported directly by the State agricultural colleges and State agricultural experiment stations as well as those reported to the Federal Office of Experiment Stations. This list is not complete as it does not include numerous related research activities of other agencies, such as projects of the Farm Credit Administration, Farmers Home Administration (formerly Farm Security Administration), State tax commissions, and other agencies whose research often is directed primarily toward administrative problems. It is hoped that this list may be found useful and that in the future it may be possible to prepare a more complete inventory of current research projects in agricultural finance.

## AGRICULTURAL CREDIT

Idaho:- PRODUCTIVITY, INCOME CLASSIFICATION, AND VALUE OF LAND IN IDAHO. Objectives: (1) To seek bases for land appraisal and classification; (2) to gather data, the analysis of which will be of educational value in rationalizing the land market for buyers and sellers of land; (3) to furnish tax assessors and equalizers with a better basis of assessment and equalization; (4) to learn the costs of land in different type-of-farming areas in Idaho in comparison with factors significantly related to the ability to pay for land; and (5) to learn to what extent range rights are being capitalized and "sold" as part of the farms and ranches holding such rights. Leader: Norman Nybroten.

Illinois:- THE EFFECT OF DEBT AND CAPITAL ON LAND-USE AND FARM ORGANIZATION. Object: To compile and analyze data for individual farms related to this title. Leader: L. J. Norton.

Indiana:- COUNTRY BANKS AS THEY SERVE THE CREDIT NEEDS OF INDIANA FARMERS. To determine (1) types of farm credit needs which country banks may best serve; (2) how aggressive country banks now meet farm credit needs in their communities; (3) seasonality in farm credit needs in relation to type of farming; (4) seasonality in repayments of farm loans in relation to type of farming; (5) "services" which country banks may profitably extend to benefit their clients; (6) factors affecting credit ratings of individuals; (7) relative desirability of different types of loans; and (8) ways in which farmers may make more effective use of country banks. Leaders: E. L. Butz and H. G. Diesslin.

Indiana:- RETURNS FROM CAPITAL INVESTMENTS (PRIVATE AND PUBLIC) REQUIRED FOR THE IMPROVEMENT OF FARMING. Objectives: (1) To develop a technique for detailed study of this problem which may be extended to

other larger areas; (2) to assemble and systematize existing information relative to the physical response of stated inputs of capital into such improvements as fertilizer, lime, drainage, buildings, etc., within Soils Groups; (3) to select farming practices and to estimate capital inputs believed necessary to restore depreciated farms to a stated level of productivity; (4) to explore the marginal rates of returns for investments in different kinds of improvements under stated conditions and price levels; (5) to ascertain the extent to which it is feasible for private capital to undertake desirable rehabilitation of depreciated farms; and (6) to analyze ways in which public aid, if any should be extended to the process under study.

Iowa:- ECONOMIC USE OF FARM-CREDIT RESOURCES. To determine by an examination of present methods of short- and long-term borrowing by farmers, what improvements may be made in farm financing. Leader: W. G. Murray.

Iowa:- ANALYSIS OF FARM OWNERSHIP LOANS MADE BY FARM SECURITY ADMINISTRATION IN IOWA. To evaluate the success achieved in this loan program and to indicate the problems which may arise if farm income declines. Leaders: W. G. Murray and R. W. Wilcox.

Kansas:- FARM REAL ESTATE CREDIT. To study needs of agriculture for farm real estate credit, conditions and terms under which farm-mortgage credit is available, adequacy of available credit, and conditions and costs under which farm-mortgage credit is obtained and used. Leaders: W. E. Grimes, M. L. Otto, and E. Lightle.

Kansas:- SHORT-TIME AND INTERMEDIATE AGRICULTURAL CREDIT. To study credit used for short-time and intermediate purposes in Kansas, sources of such credit, conditions and terms under which such credit is available, adequacy of available credit, and conditions and costs under which production credit is obtained and used. Leaders: W. E. Grimes, M. L. Otto, and E. Lightle.

Kansas:- CREDIT FOR AGRICULTURAL COOPERATIVES. To study needs for credit by agricultural cooperatives, sources of the credit used, terms on which such credit is available, adequacy of such credit, and conditions and costs under which such credit is obtained and used. Leaders: W. E. Grimes, M. L. Otto, and E. Lightle.

Louisiana:- FARMS ACQUIRED WITH TENANT PURCHASE LOANS. To determine by type of farming areas (1) the number, size and cost of farms acquired; (2) the amount of credit extended for the purchase of farms and their improvements; (3) the characteristics of the farm families to whom loans are granted; (4) the financial progress of borrowers; and (5) the approximate amount of capital required to own and operate a farm of family size. Leader: B. M. Gile.

Louisiana:- FINANCIAL STATUS AND CREDIT NEEDS OF RECLAMATION DISTRICTS IN THE ALLUVIAL AREAS. To determine (1) the current financial status of drainage and levee districts; (2) the sources of credit; (3) the methods used in managing and retiring funds; (4) the relation of credit needs to postwar plans for rehabilitation and enlargement of reclamation districts and services. Leader: Robert Harrison.

Maryland:- TRENDS IN FARM MORTGAGE FINANCING IN MARYLAND. To determine (1) trends in size of recorded farm-mortgage debt for the State and for each type of farming area; (2) trend in interest rate on farm mortgages; (3) recent changes in sources of farm-mortgage funds; (4) recent changes in length of mortgage term and repayment provision of farm mortgages; and (5) type of loan being repaid as contrasted with new loans being made. Leaders: S. H. DeVault and P. R. Poffenberger.

Massachusetts:- LOAN PERFORMANCE ON LOW-INCOME FARMS IN MASSACHUSETTS. To determine (1) rate and means of repayment of Farm Security Administration loans on low-income farms; (2) type and size of farm; (3) net income from the farm and outside sources that is available for farm-family living and for repayment of loans; (4) economic justification for past and future loans on basis of family performance and earning power of farm; (5) present and future adjustments in farm organization and practices to meet changing economic conditions; (6) physical and financial requirements for various types of farming; and (7) best systems of farming for various units of farm resources and farmer preferences. Leader: C. R. Creek.

Minnesota:- AGRICULTURAL CREDIT. A general project under which sub-projects to study specific problems of farm finance and credit agencies are developed and conducted. Leader: E. F. Koller.

Nebraska:- AGRICULTURAL CREDIT. Objectives: To study (1) basis of loans and farm-debt load by areas; (2) changes in economic and weather condition on loans, and financial needs of different types of farm organization; (3) relation of short-time to long-time loans, and conditions under which farm-debt load may be liquidated; and (4) extent and type of adjustment of loans. Leader: Frank Miller.

Puerto Rico:- AGRICULTURAL CREDIT IN PUERTO RICO. To study agricultural credit in Puerto Rico for the purpose of determining (1) credit needs; (2) agencies furnishing credit; (3) availability of credit; (4) legal aspects; (5) recent changes in agricultural credit organization; and (6) leads to reduce cost of credit to farmers. Leader: J. O. Morales.

Tennessee:- FARMERS FINANCIAL PROBLEMS IN TENNESSEE. To study the financial needs of farmers in carrying on their business, and possible methods of making and adjusting payments from periodic and erratic farm income. Leader: C. E. Allred.

Washington:- CAPITAL AND DEBT AS RELATED TO FARMING IN THE WAR AND POSTWAR PERIODS. To study (1) efficiency in use of credit in relation to the nature and organization of the individual farm unit; (2) means by which farmers accumulate capital and the part played by borrowing; and (3) relation of kind of agency extending the various types of farm credit by cost to the farmer and the use to which the credit is put. Leader: B. D. Parrish.

BAE:- BAE-NATIONAL BUREAU OF ECONOMIC RESEARCH: CHARACTERISTICS OF AGRICULTURE IN RELATION TO ITS FINANCING. Cooperative project to analyze the economic characteristics of agriculture which influence its financing. Emphasis will be placed on the interpretation and an analysis of

available data pertaining to capital used in various type-of-farming areas, income and expense patterns, equity patterns, and on the relation of these characteristics to financing methods. The study will fit into a broader research program in agricultural finance sponsored by the National Bureau. Secondary data will be used primarily in the analytical work, and the project is expected to extend over a 2-year period. Leader: D. C. Horton.

BAE:- MANAGEMENT OF FARM FINANCES. Prepare a farmers' bulletin to provide farmers, extension workers, vocational teachers, veterans, and others with a non-technical discussion of basic factors involved in financial decisions and the major instruments used in financial transactions, including such subjects as the fundamentals of finance mathematics, characteristics of major types of investments, and the elements of credit instruments. Leader: H. C. Larsen.

BAE:- PRINCIPLES AND METHODS OF AMORTIZING LOANS. A report to provide bankers, farmers and others with information which will enable them to prepare amortization tables and help them to understand the advantages and disadvantages of amortization. Leader: H. C. Larsen.

BAE:- BAE-CENSUS COOPERATIVE PROJECT ON FARM-MORTGAGE DEBT. To establish census-year benchmark estimates of farm-mortgage debt and interest rates; to estimate the number, acreage, and value of farms under mortgage; and to provide data on mortgage holdings and interest rates charged by principal lender groups. Leaders: Harold T. Lingard (BAE), Hilton Robison (Census), and Sarah L. Yarnall (BAE).

BAE:- ANNUAL ESTIMATES OF FARM-MORTGAGE DEBT. To align annual estimates of outstanding farm-mortgage debt by States for years since 1940 with revised estimates for 1945 obtained in the BAE-Census cooperative project; to correct annual estimates of interest rates and interest charges for years since 1940 to reflect findings of the above cooperative survey; to adjust present estimates of the lender distribution of farm-mortgage debt to the revised series on total farm-mortgage debt; and to project the State estimates of farm-mortgage debt, interest rates and lender holdings for years following 1945. Leaders: D. C. Horton, H. C. Larsen, Harold T. Lingard, and Sarah L. Yarnall.

BAE:- ANNUAL CHANGES IN FINANCIAL STRUCTURE OF AGRICULTURE. To prepare annual consolidated balance sheets covering all farms in the United States and to analyze these balance sheets in relation to their significance for the farmer and the economy as a whole. Leaders: Norman J. Wall, F. L. Garlock, H. C. Larsen, L. A. Jones, H. T. Lingard, Lucy R. Hudson, and Sarah L. Yarnall.

BAE:- NON-REAL-ESTATE DEBT OF FARMERS. To maintain a series showing the amount of non-real-estate debt of farmers and to determine the characteristics and terms of credit extended by the major lenders. Leaders: L. A. Jones and Lucy R. Hudson.

BAE:- NON-REAL-ESTATE AGRICULTURAL CREDIT FACILITIES IN THE UNITED STATES. To study the major types of non-real-estate credit institutions with particular reference to organization, financial structure, and the nature and effectiveness of operations. Leaders: F. L. Garlock and L. A. Jones.

BAE:- ESTIMATES OF UNITED STATES SAVINGS BONDS OWNED BY FARMERS. To determine for the farm population the amount of United States savings bonds bought during given periods, rates at which bonds are cashed and the value of bonds owned. Leaders: L. A. Jones and Lucy R. Hudson.

AGRICULTURAL INSURANCE

Maryland:- INSURANCE CARRIED BY FARMERS. To determine (1) the extent to which farmers carry various forms of insurance on themselves, their laborers, their property and their crops; (2) to ascertain the adequacy of certain types of insurance carried; and (3) to determine the attitude of farmers towards certain phases of the Social Security Program, especially as it pertains to old age income and rural health protection and facilities. Leaders: S. H. DeVault, W. P. Walker, and P. R. Poffenberger.

BAE:- LIFE INSURANCE AND ANNUITIES FOR FARMERS. To study ways that life insurance and annuities can be adapted to the needs of farmers, with emphasis on programming for mortgage-redemption and family-income purposes; to trace development and ascertain status of cooperative and other burial associations and of group life insurance for members of marketing and purchasing cooperatives. Leader: Ralph R. Botts.

BAE:- LIABILITY INSURANCE FOR FARMERS. To ascertain extent to which liability coverages are used by farmers and study ways by which such coverages may be extended, combined and simplified under more comprehensive policies. Leader: Ralph R. Botts.

BAE:- RISK AND RISK-BEARING IN AGRICULTURE. To study the unavoidable risks in selected farm enterprises with a view to determining the costs and incidence of such risks, and their influence on farm planning; to determine the adequacy of insurance and other methods of shifting farm risks, and to study ways by which efficient protection may be extended. Leader: E. L. Barber.

BAE:- ORGANIZED RURAL FIRE PROTECTION IN THE UNITED STATES. To trace development and ascertain status of organized farm fire protection in the United States; to analyze and summarize State laws authorizing and facilitating such protection; to ascertain what financial and other arrangements are involved between farmer-groups and the cities, towns, or villages which usually provide or cooperate in providing farm-fire protection. Leader: John D. Rush.

BAE:- HISTORICAL REVIEW OF THE NATURE, SOURCE, AND LIMITATIONS OF HITHERTO DEVELOPED FARM ACCIDENT DATA. To assemble, summarize, and make available as complete information as possible on: (1) How sources of farm

accident data have been developed; (2) nature of data these sources have provided; (3) limitations of existing data in quantity as well as exactness or quality; (4) other possible sources from which such data may be supplemented and improved. Leaders: Ralph R. Botts and John D. Rush.

## FARM TAXATION, LOCAL GOVERNMENT, AND PUBLIC FINANCE

Maryland:- PROBLEMS IN FARM INCOME TAX REPORTING AND RECORD KEEPING. To analyze income tax legislation and procedure and to study systems of farm record keeping as the basis for the preparation of a practical and simplified manual to aid farmers in keeping records for, and in making out, their income tax reports. Leaders: S. H. DeVault and W. P. Walker.

Maryland:- FOREST TAXATION. To determine (1) inequalities in the present system of taxing woodland in Maryland; (2) to study the application and limitations of forest yield taxes, or other methods of taxing such property in the State; and (3) to consider ways in which forest taxation, forest management, and land conservation might be better coordinated. Leaders: S. H. DeVault and W. P. Walker.

Maryland:- STATUS AND IMPROVEMENT NEEDS OF LOCAL RURAL ROADS. To ascertain (1) the nature and extent of local rural road improvements which are desirable and feasible; (2) to determine the amount of such improvements that can be made without excessive tax burdens; (3) to study methods of financing such improvements; and (4) to determine the condition of farm lanes in relation to public highways serving farms. Leaders: S. H. DeVault and W. P. Walker.

Massachusetts:- FARM REAL ESTATE TAXATION, METHODS OF TAXATION REFORM, AND THE EFFECT OF SUCH MEASURES ON FARM INCOME. To study (1) cause of high real estate taxes on farms in Massachusetts; (2) effect on net income of Massachusetts farmers of the application to Massachusetts of certain fiscal reforms now existing in other States; and (3) comparatively, methods of assessing property, real and personal, and its probable effect on the Massachusetts farmer's business. Leaders: A. A. Brown, E. P. Miller, and J. Rosenthal.

Montana:- LAND RECLASSIFICATION EXPERIENCE IN MONTANA. (1) To study procedures used in attempting to reclassify agricultural land for assessment purposes; and (2) to survey the results of reclassification on mill levies, assessments, tax delinquency, and tax collections. Leaders: Harold G. Halcrow and Willard D. Schutz.

Montana:- TRENDS IN COUNTY FINANCES. (1) To study postwar trends in Montana county finances; and (2) to indicate probable problems of local governments and their impact on farm taxes. Leader: Harold G. Halcrow.

Oklahoma:- ALTERNATIVE SYSTEMS OF LAND TAXATION. To evaluate tax programs as to fiscal adequacy, economic equity and wise land use. Leader: R. T. Klemme.

Oregon:- PUBLIC EXPENDITURES IN OREGON BY SPENDING UNITS AND MAJOR FUNCTIONS AS MEASURED BY TAX LEVIES IMPOSED UPON GENERAL PROPERTY. Objects: (1) To bring up to date an analysis of general property tax levies and public expenditures in the State of Oregon from the time of the close of the original project; (2) to supplement the above tax and public expenditure study with an analysis of the collection and administration of public funds expended in the protection of privately-owned and county- and State-owned timber land in Oregon from fire. Leader: W. H. Dreesen.

Texas:- CAUSES OF AD VALOREM TAX DELINQUENCY IN TEXAS. To determine the basic causes of ad valorem tax delinquency in Texas with the view of suggesting remedial measures. Leaders: L. P. Gabbard and R. G. Cherry.

Texas:- FACTORS AFFECTING THE COLLECTION AND EXPENDITURE OF TAXATION REVENUES IN TEXAS. To determine the extent to which farm taxes in Texas may be reduced and governmental services improved. Leaders: L. P. Gabbard and R. G. Cherry.

Vermont:- RECENT CHANGES IN TOWN GOVERNMENT COST. Objectives: To examine the changes in local government expenditures which the war has brought upon; to study differences between costs in different towns; and the factors causing them. Leader: S. W. Williams.

Vermont:- A STUDY OF VERMONT TOWN REPORTS. Objectives: To analyze the content of Vermont town reports, appraise the effectiveness of presentation of the material in them, and suggest improvements. Leader: S. W. Williams.

Wyoming:- WYOMING'S LAND AND TAXATION PROBLEMS AS RELATED TO THE AGRICULTURAL DEVELOPMENT OF THE STATE. To study (1) rate, amount, and distribution of the tax load of the State over a period of years; (2) increase in general property tax and total taxes; (3) per capita increase of general property and total taxes; (4) relation of State income from different industries; (5) amount of tax-free property in each county.

BAE:- FARM AND FARMER TAXES. Prepare annual estimates of the amounts of the various major taxes levied against farms or farmers for the United States and, so far as possible, for individual States or regions. Leader: Gerhard J. Isaac.

BAE:- INCOME TAXATION AND THE FARMER. Analyze the economic effect upon agriculture of taxes on income; study the administrative and compliance aspects of existing and proposed income tax provisions; devise methods of facilitating administration and compliance. Leader: Gerhard J. Isaac.

BAE:- HOMESTEAD TAX PREFERENCE. Analyze the effect of homestead tax preference measures on farm-ownership patterns and on the relative tax burdens of various segments of the economy. Leader: Gerhard J. Isaac.

BAE:- TAXATION AND FISCAL POLICY IN RELATION TO AGRICULTURE. Examination of present and potential Federal taxation and fiscal policies with particular reference to their effects upon agriculture. Leader: Tyler F. Haygood.

## BOOK REVIEW

Vance, Rupert B., and Blackwell, Gordon W., with collaboration of McClain, Howard G. New Farm Homes for Old. University of Alabama Press, 245 pp. 1946.

This book is a survey of problems and social results of the rural housing program of the Federal Public Housing Authority in various areas of Arkansas, Georgia, Mississippi, and South Carolina. Undertaken at the instance of the FPHA, the book will prove especially interesting to students of intergovernmental relationships at the local level, and to students and officials in the field of rural housing. Race problems, the future of the local housing authority, and mistakes and problems of administration are treated impartially.

Agricultural observers will be interested to find the conclusion concerning local housing authorities to be that "... insofar as any administrative device can, these agencies offer the logical answer to the problem of how best to mediate Federal authority and support in the local community." The authors further suggest that "Although the Farm Security Administration has preferred to operate directly from Washington, there is no reason why the Department of Agriculture should not take over the development of county and regional housing authorities, if it should be assigned the task of providing rural housing." Stress is laid on the need for a single local housing agency in a county or region. Were this the case, the Department of Agriculture as well as the Federal Public Housing Authority might have to deal with the local authority - agriculture with respect to housing for farmers; FPHA with respect to housing for other rural people.

The authors deal briefly with the problem of how to subsidize tenant housing and reach the conclusion that only a few demonstration houses should be built in each community. A few good houses might be built among the southern plantations in the hope that landlords would adopt improved standards for other houses. To do otherwise would be to subsidize landlords rather than tenants. The basic problem of obtaining decent housing for tenants and croppers appears to be left essentially unsolved - a challenge for others to study.

The financial arrangements whereby small farm owners may be aided by public housing were reviewed briefly by the authors. Heretofore, under the FPHA rural program, a farm owner deeded one acre of land to the local authority. A house for the farm operator was built by the local authority on this separate parcel. The farm operator - either a tenant or land owner - rented the house from the local authority. The rents charged the tenant were set at levels below what the full costs would justify. The difference is covered by the annual subsidy granted the local authority by the FPHA. The 60-year term of the subsidy is the same as the term of the loan by the

FPHA advanced to the local authority. If the farm is operated by a tenant, the lessee of the house is the tenant; otherwise the landlord. The landlord guarantees the payment of rent in either case.

As pointed out by the authors the separation of ownership of the principal parcel of land from that of the house sometimes weakens the position of a mortgagee having the farm as security. Although improved housing may attract more able operators and thus give the mortgagee added security from that source, in case of foreclosure the mortgagee holds a claim merely to the farm without the dwelling.

The authors question the legality of a proposal sometimes considered that a house be sold under a contract in which repossession is possible. The house would by contract be deemed a chattel and thus removable like any other chattel such as an automobile. The local authority would retain title while the farmer was paying for the house and any mortgagee with a mortgage on the farm would not have a claim against the house.

In the light of these various considerations, perhaps the Bankhead-Jones program in which the house remains a part of the farm real estate, the house and land being financed together, has more to commend it than the authors seem to imply.

Although the authors have contributed significantly to the analysis of rural housing problems, the big issue still remains to be solved: How can every farm family be assured an opportunity to live in a safe, decent, and sanitary dwelling without perpetuating through improperly placed subsidies, the operation of farms of low earning power. In the opinion of the reviewer, the answer must be sought in terms of providing temporary aid to families in need of improved housing (or other consumption goods) only during their period of need and pending remedial measures with respect to their earning power. It is people rather than houses that sometimes require public subsidy. Public housing is merely one device for tempering the extremes of inequality of income. The best procedure for improving the housing conditions of low-income farm families remains a moot issue.

Roy J. Burroughs

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# STATISTICAL APPENDIX

Table 1 .- Farm-mortgage debt: Total outstanding and amounts held by selected lending agencies. United States, 1910, 1920, 1930, 1935-46 1/

| Beginning of year or month | Total farm-mortgage debt | Amounts held by selected lending agencies: Federal land banks 2/ | Federal Farm Mortgage Corporation 2/ 3/ | Joint-stock land banks 2/ 4/ | Farm Security Administration 5/ | Life insurance companies 2/ 6/ | Insured commercial banks 7/ | Three State credit agencies 2/ 8/ |
|---|---|---|---|---|---|---|---|---|
| | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars |
| 1910 . . . . | 3,207,863 | | | | | 386,961 | 406,248 | |
| 1920 . . . . | 8,448,772 | 296,386 | | 60,038 | | 974,826 | 1,204,383 | 9/ |
| 1930 . . . . | 9,630,768 | 1,201,732 | | 637,789 | | 2,118,439 | 997,468 | 96,360 |
| 1935 . . . . | 7,584,459 | 1,947,442 | 616,737 | 274,988 | | 1,301,562 | 498,842 | 66,096 |
| 1936 . . . . | 7,422,701 | 2,113,502 | 794,147 | 198,187 | | 1,112,289 | 487,505 | 53,705 |
| 1937 . . . . | 7,153,963 | 2,147,768 | 841,251 | 160,013 | | 1,015,615 | 487,534 | 39,969 |
| 1938 . . . . | 6,954,884 | 2,126,610 | 824,151 | 133,554 | 3,615 | 988,557 | 501,450 | 35,362 |
| 1939 . . . . | 6,779,318 | 2,088,478 | 774,377 | 114,992 | 15,220 | 982,939 | 519,276 | 31,872 |
| 1940 . . . . | 6,586,399 | 2,009,820 | 713,290 | 91,726 | 38,566 | 984,290 | 534,170 | 30,294 |
| 1941 . . . . | 6,534,487 | 1,957,184 | 685,149 | 73,455 | 73,093 | 1,016,479 | 543,408 | 29,317 |
| 1942 . . . . | 6,483,847 | 1,880,784 | 634,885 | 55,919 | 122,104 | 1,063,166 | 535,212 | 30,406 |
| 1943 . . . . | 6,117,168 | 1,718,240 | 543,895 | 37,015 | 163,681 | 1,042,939 | 476,676 | 28,794 |
| 1944 . . . . | 5,634,772 | 1,452,886 | 429,751 | 10,097 | 176,607 | 986,661 | 448,433 | 24,082 |
| 1945: | | | | | | | | |
| January . | 5,270,655 | 1,209,646 | 347,310 | 5,455 | 10/ 178,969 | 933,723 | 449,582 | 19,872 |
| April . . | - | 1,158,231 | 331,511 | 4,538 | 181,449 | - | - | - |
| July . . . | - | 1,123,769 | 322,584 | 4,330 | 186,747 | 891,000 | 483,521 | - |
| October . | - | 1,098,767 | 287,601 | 3,626 | 187,309 | - | - | - |
| 1946: | | | | | | | | |
| January . | 5,080,717 | 1,079,010 | 239,378 | 3,208 | 184,035 | 884,312 | 507,298 | 13,626 |
| April . . | - | 1,061,285 | 203,586 | 2,195 | 179,660 | - | - | - |
| July . . . | - | 1,068,195 | 188,110 | 1,520 | 184,434 | 876,000 | 617,794 | - |

1/ Excludes Territories and possessions.
2/ Includes regular mortgages, purchase-money mortgages, and sales contracts.
3/ Loans held by the Federal Farm Mortgage Corporation are made on its behalf by the Land Bank Commissioner.
4/ Joint-stock land banks have been in liquidation since May 12, 1933. Includes banks in receivership.
5/ Prior to 1941, loans for tenant-purchase and construction of farmstead improvements only. Beginning with 1941, data also include farm-development (special real estate) loans, and beginning with 1944, include farm-enlargement and flood and windstorm real estate restoration loans. Project-liquidation loans included beginning July 1945. Loans made from State Rural Rehabilitation Corporation trust funds are included.
6/ Estimates based upon direct reports from life insurance companies, official reports submitted to State insurance commissioners, "Best's Life Insurance Reports," and monthly data received from the Life Insurance Association of America and the Institute of Life Insurance.
7/ 1935-46, insured commercial banks; prior to 1935, all open State and national banks.
8/ Department of Rural Credit of Minnesota, Bank of North Dakota, and Rural Credit Board of South Dakota. Rural Credit Board completed liquidation during 1945.
9/ Data unavailable.
10/ Revised.

Table 2.- Farm-mortgage debt: Total outstanding and amounts held by principal lender groups, by States, January 1, 1946

| State and division | Total debt 1/ | Amounts held by principal lender groups: Federal land banks 2/ | Federal Farm Mortgage Corporation 2/ | Farm Security Administration 3/ | Life insurance companies 2/ | Others 4/ |
|---|---|---|---|---|---|---|
| | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars |
| Maine | 15,514 | 3,450 | 1,531 | 277 | 0 | 10,256 |
| New Hampshire | 13,003 | 1,315 | 593 | 91 | 0 | 11,004 |
| Vermont | 34,442 | 4,167 | 1,085 | 232 | 10 | 28,948 |
| Massachusetts | 40,706 | 6,182 | 2,881 | 159 | 79 | 31,405 |
| Rhode Island | 4,013 | 905 | 499 | 10 | 0 | 2,599 |
| Connecticut | 29,190 | 5,154 | 2,085 | 103 | 33 | 21,815 |
| New England | 136,868 | 21,173 | 8,674 | 872 | 122 | 106,027 |
| New York | 147,015 | 26,898 | 8,130 | 1,758 | 137 | 110,092 |
| New Jersey | 44,888 | 8,066 | 3,823 | 472 | 596 | 31,931 |
| Pennsylvania | 120,747 | 12,852 | 2,980 | 2,718 | 2,127 | 100,070 |
| Middle Atlantic | 312,650 | 47,816 | 14,933 | 4,948 | 2,860 | 242,093 |
| Ohio | 229,351 | 22,064 | 4,281 | 4,599 | 22,209 | 176,198 |
| Indiana | 185,217 | 30,029 | 4,966 | 3,873 | 47,068 | 99,281 |
| Illinois | 275,712 | 70,130 | 8,002 | 5,230 | 90,658 | 101,692 |
| Michigan | 148,808 | 25,343 | 6,046 | 2,720 | 2,333 | 112,366 |
| Wisconsin | 258,239 | 43,863 | 13,495 | 3,994 | 9,129 | 187,758 |
| East North Central | 1,097,327 | 191,429 | 36,790 | 20,416 | 171,397 | 677,295 |
| Minnesota | 345,501 | 71,002 | 12,690 | 6,485 | 78,429 | 176,895 |
| Iowa | 573,815 | 115,104 | 8,847 | 5,814 | 229,800 | 214,250 |
| Missouri | 194,628 | 24,355 | 7,076 | 7,065 | 60,796 | 95,336 |
| North Dakota | 75,230 | 29,632 | 8,634 | 2,177 | 12,545 | 22,242 |
| South Dakota | 89,813 | 37,064 | 6,135 | 2,644 | 35,775 | 8,195 |
| Nebraska | 176,779 | 71,642 | 10,290 | 3,476 | 46,694 | 44,677 |
| Kansas | 144,278 | 41,192 | 11,404 | 3,966 | 31,091 | 56,625 |
| West North Central | 1,600,044 | 389,991 | 65,976 | 31,627 | 495,130 | 618,220 |
| Delaware | 8,661 | 494 | 171 | 229 | 16 | 7,751 |
| Maryland 5/ | 44,501 | 4,586 | 1,213 | 969 | 1,757 | 35,976 |
| Virginia | 62,369 | 12,469 | 2,178 | 3,210 | 5,876 | 38,636 |
| West Virginia | 15,949 | 4,634 | 929 | 1,690 | 470 | 8,226 |
| North Carolina | 77,696 | 10,808 | 5,673 | 8,530 | 5,683 | 47,002 |
| South Carolina | 39,636 | 8,521 | 5,155 | 7,866 | 1,229 | 16,865 |
| Georgia | 79,953 | 13,767 | 7,690 | 11,812 | 6,731 | 39,953 |
| Florida | 26,199 | 6,424 | 3,463 | 1,037 | 2,124 | 13,151 |
| South Atlantic | 354,964 | 61,703 | 26,472 | 35,343 | 23,886 | 207,560 |
| Kentucky | 93,437 | 13,278 | 3,062 | 4,514 | 15,725 | 56,858 |
| Tennessee | 60,749 | 11,895 | 3,097 | 6,265 | 7,778 | 31,714 |
| Alabama | 69,776 | 16,326 | 3,820 | 10,308 | 1,659 | 37,063 |
| Mississippi | 88,294 | 17,947 | 3,407 | 13,359 | 19,632 | 33,949 |
| East South Central | 312,256 | 60,046 | 13,386 | 34,446 | 44,794 | 159,584 |
| Arkansas | 76,712 | 10,963 | 2,849 | 10,263 | 14,743 | 37,894 |
| Louisiana | 54,134 | 12,707 | 2,357 | 7,504 | 7,015 | 24,551 |
| Oklahoma | 124,930 | 19,096 | 5,936 | 8,842 | 14,991 | 76,065 |
| Texas | 278,253 | 116,475 | 20,096 | 18,536 | 58,744 | 64,402 |
| West South Central | 534,029 | 152,241 | 31,238 | 45,145 | 95,493 | 202,912 |
| Montana | 31,509 | 11,188 | 4,167 | 2,029 | 2,446 | 11,679 |
| Idaho | 52,038 | 13,829 | 3,792 | 879 | 5,302 | 28,236 |
| Wyoming | 21,022 | 8,267 | 1,908 | 539 | 1,025 | 9,283 |
| Colorado | 52,185 | 15,809 | 4,547 | 1,993 | 5,152 | 24,684 |
| New Mexico | 29,878 | 5,356 | 1,288 | 713 | 3,003 | 19,518 |
| Arizona | 27,037 | 5,544 | 1,283 | 211 | 2,295 | 17,704 |
| Utah | 17,671 | 7,320 | 1,939 | 409 | 127 | 7,876 |
| Nevada | 6,260 | 1,685 | 265 | 44 | 31 | 4,235 |
| Mountain | 237,600 | 68,998 | 19,189 | 6,817 | 19,381 | 123,215 |
| Washington | 78,899 | 14,728 | 3,371 | 1,328 | 8,788 | 50,684 |
| Oregon | 81,553 | 13,819 | 2,759 | 1,466 | 6,215 | 57,294 |
| California | 334,524 | 50,066 | 17,490 | 1,627 | 16,246 | 249,095 |
| Pacific | 494,976 | 78,613 | 23,620 | 4,421 | 31,249 | 357,073 |
| UNITED STATES | 6/ 5,080,717 | 1,079,910 | 239,378 | 184,035 | 884,312 | 6/ 2,693,982 |

1/ For data on total farm-mortgage debt by States, 1930-44, see Agricultural Finance Review, Vol. 7, November 1944; for 1945 debt see Review, Vol. 8, November 1945.
2/ Includes regular mortgages, purchase-money mortgages, and sales contracts.
3/ Includes tenant-purchase and farm-enlargement loans, farm-development loans, construction loans to individuals, and flood and windstorm restoration real estate loans. Also includes loans made for these purposes from State Rural Rehabilitation Corporation trust funds.
4/ Includes joint-stock land bank loans, insured commercial bank loans, and loans held by individuals and miscellaneous lenders.
5/ Includes District of Columbia.
6/ Includes $3,114 of joint-stock land bank loans called for foreclosure which are not distributable by States.

Table 3.- Farm-mortgage loans held by insured commercial banks, by States, January 1 and July 1, 1940, 1944-46 1/

| State and division | 1940 | | 1944 | | 1945 | | 1946 | |
|---|---|---|---|---|---|---|---|---|
| | January 1 | July 1 | January 1 | July 1 | January 1 | July 1 | January 1 | July 1 |
| | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars |
| Maine | 1,766 | 1,698 | 1,343 | 1,294 | 1,411 | 1,493 | 1,575 | 2,141 |
| New Hampshire | 598 | 627 | 666 | 665 | 605 | 614 | 755 | 1,006 |
| Vermont | 7,748 | 8,161 | 6,852 | 6,647 | 6,608 | 7,197 | 7,470 | 8,679 |
| Massachusetts | 1,322 | 1,301 | 1,093 | 1,010 | 952 | 987 | 1,030 | 1,098 |
| Rhode Island | 233 | 241 | 265 | 263 | 309 | 394 | 475 | 610 |
| Connecticut | 1,352 | 1,370 | 1,216 | 1,252 | 1,280 | 1,190 | 1,256 | 1,432 |
| New England | 13,019 | 13,398 | 11,435 | 11,131 | 11,165 | 11,875 | 12,561 | 14,966 |
| New York | 15,883 | 15,210 | 12,960 | 12,110 | 12,238 | 12,697 | 14,590 | 18,088 |
| New Jersey | 4,366 | 4,501 | 4,094 | 4,119 | 4,160 | 3,902 | 3,830 | 4,467 |
| Pennsylvania | 25,388 | 26,098 | 22,898 | 22,114 | 20,733 | 21,392 | 21,503 | 26,277 |
| Middle Atlantic | 45,637 | 45,809 | 39,952 | 38,343 | 37,131 | 37,991 | 39,923 | 48,832 |
| Ohio | 39,921 | 40,602 | 36,416 | 38,228 | 37,413 | 40,078 | 43,032 | 50,553 |
| Indiana | 21,704 | 22,394 | 23,945 | 24,844 | 24,846 | 27,609 | 27,974 | 32,799 |
| Illinois | 23,814 | 23,925 | 20,434 | 20,894 | 20,381 | 21,883 | 21,682 | 26,043 |
| Michigan | 14,452 | 15,277 | 16,068 | 15,632 | 15,678 | 17,426 | 19,435 | 25,092 |
| Wisconsin | 23,581 | 24,643 | 24,508 | 25,568 | 25,110 | 26,260 | 26,728 | 31,392 |
| East North Central | 123,472 | 126,841 | 121,371 | 125,166 | 123,428 | 133,256 | 138,851 | 165,879 |
| Minnesota | 19,226 | 19,852 | 17,126 | 17,725 | 18,215 | 18,847 | 19,429 | 22,111 |
| Iowa | 44,260 | 46,080 | 38,795 | 39,728 | 38,844 | 41,018 | 39,420 | 44,569 |
| Missouri | 19,011 | 19,621 | 21,278 | 20,762 | 22,235 | 23,113 | 24,184 | 29,481 |
| North Dakota | 1,388 | 1,285 | 653 | 747 | 727 | 970 | 970 | 1,399 |
| South Dakota | 1,939 | 2,078 | 1,917 | 2,194 | 2,187 | 2,432 | 2,286 | 2,717 |
| Nebraska | 7,511 | 7,741 | 5,254 | 5,581 | 5,538 | 5,892 | 5,774 | 7,401 |
| Kansas | 10,571 | 10,786 | 7,944 | 8,871 | 8,287 | 9,168 | 9,613 | 12,347 |
| West North Central | 103,906 | 107,443 | 92,967 | 95,608 | 96,033 | 101,440 | 101,676 | 120,025 |
| Delaware | 3,312 | 3,414 | 2,811 | 2,929 | 2,930 | 2,770 | 2,873 | 3,254 |
| Maryland | 9,903 | 9,977 | 8,693 | 8,608 | 8,588 | 8,755 | 8,887 | 10,542 |
| District of Columbia | 94 | 101 | 55 | 45 | 58 | 44 | 33 | 51 |
| Virginia | 16,619 | 16,639 | 13,421 | 13,698 | 13,393 | 13,404 | 14,062 | 17,289 |
| West Virginia | 5,441 | 5,651 | 4,728 | 4,651 | 4,641 | 4,584 | 4,700 | 5,991 |
| North Carolina | 8,481 | 8,983 | 10,396 | 11,185 | 9,854 | 10,633 | 11,186 | 15,381 |
| South Carolina | 1,689 | 1,682 | 1,513 | 1,719 | 1,689 | 2,056 | 1,988 | 2,877 |
| Georgia | 6,808 | 7,306 | 6,488 | 6,861 | 6,452 | 7,997 | 8,752 | 12,872 |
| Florida | 2,864 | 2,783 | 2,686 | 2,462 | 2,763 | 2,798 | 3,278 | 4,486 |
| South Atlantic | 55,211 | 55,536 | 50,791 | 52,158 | 50,368 | 53,041 | 55,759 | 72,743 |
| Kentucky | 22,535 | 23,680 | 19,856 | 20,082 | 20,167 | 20,982 | 22,837 | 27,746 |
| Tennessee | 11,824 | 12,447 | 11,895 | 12,342 | 12,611 | 13,797 | 15,875 | 19,299 |
| Alabama | 4,822 | 5,301 | 4,054 | 4,410 | 4,439 | 4,944 | 5,779 | 7,630 |
| Mississippi | 8,159 | 8,477 | 5,200 | 5,946 | 5,551 | 6,355 | 6,863 | 9,534 |
| East South Central | 47,340 | 49,905 | 41,005 | 42,780 | 42,768 | 46,078 | 51,354 | 54,209 |
| Arkansas | 3,503 | 3,655 | 3,087 | 3,555 | 3,406 | 4,313 | 5,150 | 7,561 |
| Louisiana | 6,069 | 6,427 | 4,970 | 4,952 | 4,399 | 4,840 | 5,019 | 6,224 |
| Oklahoma | 4,224 | 4,321 | 4,123 | 4,299 | 4,433 | 5,177 | 6,464 | 7,780 |
| Texas | 11,322 | 11,240 | 10,227 | 11,124 | 11,651 | 13,273 | 17,087 | 20,903 |
| West South Central | 25,118 | 25,643 | 22,407 | 23,930 | 23,889 | 27,603 | 33,720 | 42,468 |
| Montana | 949 | 1,046 | 856 | 1,056 | 899 | 1,046 | 980 | 1,530 |
| Idaho | 1,144 | 1,315 | 1,015 | 1,160 | 1,082 | 1,542 | 1,648 | 2,252 |
| Wyoming | 904 | 991 | 786 | 879 | 926 | 1,199 | 1,152 | 1,846 |
| Colorado | 2,274 | 2,551 | 1,873 | 2,092 | 1,964 | 2,639 | 3,232 | 4,221 |
| New Mexico | 484 | 543 | 610 | 717 | 728 | 898 | 927 | 1,592 |
| Arizona | 1,046 | 870 | 506 | 480 | 456 | 1,091 | 1,336 | 1,897 |
| Utah | 2,822 | 3,020 | 2,575 | 3,224 | 3,139 | 3,609 | 3,926 | 5,211 |
| Nevada | 387 | 380 | 333 | 437 | 465 | 490 | 792 | 730 |
| Mountain | 10,010 | 10,716 | 8,554 | 10,045 | 9,659 | 12,514 | 13,993 | 19,279 |
| Washington | 4,762 | 4,780 | 4,840 | 5,537 | 5,686 | 6,926 | 7,570 | 10,081 |
| Oregon | 2,224 | 2,061 | 1,393 | 1,383 | 1,448 | 1,823 | 2,508 | 4,085 |
| California | 103,471 | 100,340 | 53,718 | 61,648 | 48,007 | 50,974 | 49,383 | 55,227 |
| Pacific | 110,457 | 107,181 | 59,951 | 68,568 | 55,141 | 59,723 | 59,461 | 69,393 |
| UNITED STATES | 534,170 | 543,472 | 448,433 | 467,729 | 449,582 | 483,521 | 507,298 | 617,794 |
| Possessions 2/ | 103 | 114 | 57 | 45 | 32 | 31 | 44 | 54 |

1/ Loans are classified according to location of bank and therefore are not strictly comparable by States with data for other lenders, which are classified according to location of security or borrower. Data from 1935 to 1944 available in earlier issues of the Agricultural Finance Review.

2/ Alaska, Hawaii, and Virgin Islands.

Table 4 .- Farm Security Administration tenant-purchase loan program: Number of borrowers, acreage, cost of properties, and amount of loans approved, by States, cumulative from organization to July 1, 1946 1/

| State and division | Borrowers | Acreage | Cost of properties: Original purchase price 2/ | Cost of properties: Cost of added improvements | Cost of properties: Total cost | Cost borne by borrowers | Tenant-purchase loans |
|---|---|---|---|---|---|---|---|
| | Number | Acres | Dollars | Dollars | Dollars | Dollars | Dollars |
| Maine | 68 | 10,122 | 341,558 | 88,766 | 430,324 | 2,721 | 427,603 |
| New Hampshire | 17 | 2,849 | 80,121 | 23,727 | 103,848 | 45 | 103,803 |
| Vermont | 66 | 12,191 | 340,863 | 73,690 | 414,553 | 131 | 414,422 |
| Massachusetts | 42 | 3,896 | 253,519 | 61,765 | 315,284 | 400 | 314,884 |
| Rhode Island | 2 | 75 | 7,723 | 2,574 | 10,297 | 0 | 10,297 |
| Connecticut | 19 | 1,947 | 126,456 | 42,492 | 168,948 | 1,290 | 166,958 |
| New England | 214 | 31,080 | 1,150,240 | 293,014 | 1,443,254 | 5,287 | 1,437,967 |
| New York | 446 | 61,802 | 2,247,356 | 540,327 | 2,787,683 | 2,781 | 2,784,902 |
| New Jersey | 116 | 9,330 | 854,320 | 172,814 | 1,027,134 | 2,000 | 1,025,134 |
| Pennsylvania | 653 | 78,197 | 3,233,932 | 783,634 | 4,017,566 | 6,575 | 4,010,991 |
| Middle Atlantic | 1,215 | 149,329 | 6,335,608 | 1,496,775 | 7,832,383 | 11,356 | 7,821,027 |
| Ohio | 702 | 76,580 | 4,739,865 | 973,354 | 5,713,219 | 24,790 | 5,688,429 |
| Indiana | 572 | 63,476 | 4,487,433 | 815,584 | 5,303,017 | 18,814 | 5,284,203 |
| Illinois | 710 | 100,759 | 6,088,818 | 992,145 | 7,080,963 | 31,543 | 7,049,420 |
| Michigan | 446 | 53,910 | 2,816,147 | 660,411 | 3,476,558 | 10,465 | 3,466,093 |
| Wisconsin | 672 | 72,567 | 3,949,833 | 742,307 | 4,692,140 | 23,590 | 4,668,550 |
| East North Central | 3,102 | 367,292 | 22,082,096 | 4,183,801 | 26,265,897 | 109,202 | 26,156,695 |
| Minnesota | 825 | 139,540 | 6,002,540 | 912,657 | 6,915,197 | 53,470 | 6,861,727 |
| Iowa | 919 | 131,307 | 7,307,984 | 994,697 | 8,302,681 | 80,238 | 8,222,443 |
| Missouri | 1,482 | 230,535 | 7,150,630 | 2,043,652 | 9,194,282 | 17,497 | 9,176,785 |
| North Dakota | 480 | 237,777 | 2,597,004 | 878,117 | 3,475,121 | 7,895 | 3,467,226 |
| South Dakota | 472 | 209,677 | 3,008,237 | 699,394 | 3,707,631 | 8,565 | 3,699,066 |
| Nebraska | 591 | 174,778 | 5,023,220 | 828,650 | 5,851,870 | 21,470 | 5,830,400 |
| Kansas | 734 | 178,164 | 5,236,118 | 1,119,898 | 6,356,016 | 9,204 | 6,346,812 |
| West North Central | 5,503 | 1,301,778 | 36,325,733 | 7,477,065 | 43,802,798 | 198,339 | 43,604,459 |
| Delaware | 61 | 9,731 | 294,985 | 78,013 | 372,998 | 1,028 | 371,970 |
| Maryland | 216 | 31,201 | 1,229,177 | 305,799 | 1,534,976 | 490 | 1,534,486 |
| Virginia | 866 | 116,651 | 3,412,122 | 1,292,574 | 4,704,696 | 8,363 | 4,696,333 |
| West Virginia | 431 | 58,483 | 1,586,768 | 539,410 | 2,126,178 | 1,668 | 2,124,510 |
| North Carolina | 2,654 | 241,166 | 8,115,759 | 3,931,808 | 12,047,567 | 6,604 | 12,040,963 |
| South Carolina | 2,155 | 233,369 | 5,926,416 | 3,603,590 | 9,530,006 | 9,635 | 9,520,371 |
| Georgia | 4,076 | 502,748 | 9,483,785 | 6,971,892 | 16,455,677 | 15,546 | 16,440,131 |
| Florida | 336 | 51,186 | 874,371 | 688,884 | 1,563,255 | 6,510 | 1,556,745 |
| South Atlantic | 10,795 | 1,244,535 | 30,923,383 | 17,411,970 | 48,335,353 | 49,844 | 48,285,509 |
| Kentucky | 925 | 110,049 | 5,092,278 | 1,477,430 | 6,569,708 | 12,426 | 6,557,282 |
| Tennessee | 1,619 | 192,383 | 6,005,155 | 2,783,129 | 8,788,284 | 9,628 | 8,778,656 |
| Alabama | 3,323 | 334,048 | 8,193,298 | 6,395,785 | 14,589,083 | 16,184 | 14,572,899 |
| Mississippi | 3,193 | 273,252 | 9,930,686 | 6,685,794 | 16,616,480 | 342 | 16,616,138 |
| East South Central | 9,060 | 909,732 | 29,221,417 | 17,342,138 | 46,563,555 | 38,580 | 46,524,975 |
| Arkansas | 2,302 | 222,917 | 6,756,839 | 4,229,531 | 10,986,370 | 5,543 | 10,980,827 |
| Louisiana | 1,484 | 122,068 | 4,807,725 | 3,186,085 | 7,993,810 | 3,059 | 7,990,751 |
| Oklahoma | 2,002 | 369,404 | 9,747,359 | 2,783,213 | 12,530,572 | 25,141 | 12,505,431 |
| Texas | 3,561 | 694,596 | 20,704,121 | 6,668,025 | 27,372,146 | 34,096 | 27,338,050 |
| West South Central | 9,349 | 1,408,985 | 42,016,044 | 16,866,854 | 58,882,898 | 67,839 | 58,815,059 |
| Montana | 136 | 54,883 | 984,337 | 385,261 | 1,369,598 | 900 | 1,368,698 |
| Idaho | 146 | 17,572 | 1,140,910 | 305,467 | 1,446,377 | 652 | 1,445,725 |
| Wyoming | 80 | 32,824 | 592,551 | 199,266 | 791,817 | 2,876 | 788,941 |
| Colorado | 229 | 63,638 | 1,836,523 | 488,345 | 2,324,868 | 7,038 | 2,317,830 |
| New Mexico | 93 | 30,454 | 672,153 | 235,697 | 907,850 | 0 | 907,850 |
| Arizona | 35 | 2,314 | 292,500 | 45,657 | 338,157 | 2,784 | 335,373 |
| Utah | 102 | 11,339 | 766,780 | 260,533 | 1,027,313 | 1,311 | 1,026,002 |
| Nevada | 9 | 1,699 | 70,599 | 16,576 | 87,175 | 500 | 86,675 |
| Mountain | 830 | 214,823 | 6,356,353 | 1,936,802 | 8,293,155 | 16,061 | 8,277,094 |
| Washington | 152 | 22,286 | 1,104,959 | 253,274 | 1,358,233 | 4,913 | 1,353,320 |
| Oregon | 144 | 18,256 | 947,096 | 260,377 | 1,207,473 | 194 | 1,207,279 |
| California | 268 | 16,212 | 2,095,145 | 543,685 | 2,638,830 | 4,719 | 2,634,111 |
| Pacific | 564 | 56,754 | 4,147,200 | 1,057,336 | 5,204,536 | 9,826 | 5,194,710 |
| UNITED STATES | 40,632 | 5,684,903 | 178,558,074 | 68,065,755 | 246,623,829 | 506,334 | 246,117,495 |
| Possessions 3/ | 850 | 30,774 | 3,095,820 | 1,350,787 | 4,446,607 | 7,883 | 4,438,724 |

1/ Includes farm-enlargement loans, supplemental loans, and loans from State Rural Rehabilitation Corporation trust funds. The farm-enlargement loan program was initiated about October 1942.
2/ Includes fees incidental to the purchase of properties.
3/ Hawaii, Alaska, and Puerto Rico.

Farm Security Administration.

Table 5 .- Farm Security Administration: Number of individual borrowers and amount of various types of loans held, by States, July 1, 1946 1/

| State and division | Loans to individuals: Number of individual borrowers 2/ | Loans to individuals: Rural rehabilitation 3/ | Loans to individuals: Construction and farm-development loans 4/ | Loans to individuals: Tenant-purchase loans 5/ | Loans to cooperatives 6/ | Total loans |
|---|---|---|---|---|---|---|
| | Number | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars |
| Maine | 3,524 | 4,141 | 25 | 279 | 5 | 4,450 |
| New Hampshire | 882 | 1,006 | 30 | 55 | 0 | 1,091 |
| Vermont | 764 | 852 | 51 | 211 | 8 | 1,122 |
| Massachusetts | 611 | 597 | 3 | 186 | 0 | 786 |
| Rhode Island | 170 | 140 | 0 | 4 | 0 | 144 |
| Connecticut | 257 | 256 | 0 | 96 | 0 | 352 |
| New England | 6,208 | 6,992 | 109 | 831 | 13 | 7,945 |
| New York | 5,077 | 6,689 | 96 | 1,777 | 335 | 8,897 |
| New Jersey | 1,464 | 1,909 | 48 | 560 | 307 | 2,824 |
| Pennsylvania | 5,308 | 5,252 | 65 | 2,560 | 5 | 7,882 |
| Middle Atlantic | 11,849 | 13,850 | 209 | 4,897 | 647 | 19,603 |
| Ohio | 21,418 | 4,934 | 683 | 3,578 | 37 | 9,232 |
| Indiana | 6,632 | 4,271 | 141 | 3,794 | 10 | 8,216 |
| Illinois | 10,739 | 6,739 | 88 | 4,662 | 306 | 11,795 |
| Michigan | 9,962 | 6,435 | 395 | 2,533 | 17 | 9,380 |
| Wisconsin | 22,378 | 7,380 | 1,024 | 2,831 | 71 | 11,306 |
| East North Central | 71,129 | 29,759 | 2,331 | 17,398 | 441 | 49,929 |
| Minnesota | 26,299 | 11,939 | 1,210 | 5,089 | 152 | 18,390 |
| Iowa | 9,045 | 8,159 | 63 | 5,132 | 30 | 13,384 |
| Missouri | 37,408 | 9,964 | 882 | 6,416 | 1,245 | 18,507 |
| North Dakota | 16,654 | 6,195 | 584 | 1,709 | 349 | 8,837 |
| South Dakota | 24,555 | 12,813 | 370 | 2,139 | 105 | 15,427 |
| Nebraska | 9,410 | 8,620 | 140 | 3,235 | 196 | 12,191 |
| Kansas | 10,843 | 8,714 | 41 | 4,078 | 210 | 13,043 |
| West North Central | 134,214 | 66,404 | 3,290 | 27,798 | 2,287 | 99,779 |
| Delaware | 345 | 393 | 2 | 242 | 0 | 637 |
| Maryland 7/ | 1,986 | 1,904 | 11 | 1,017 | 9 | 2,941 |
| Virginia | 9,384 | 2,973 | 77 | 2,960 | 190 | 6,200 |
| West Virginia | 6,340 | 1,701 | 37 | 1,614 | 0 | 3,352 |
| North Carolina | 19,344 | 8,581 | 649 | 7,464 | 528 | 17,222 |
| South Carolina | 16,970 | 8,774 | 974 | 6,787 | 395 | 16,930 |
| Georgia | 33,116 | 14,735 | 733 | 10,984 | 1,270 | 27,722 |
| Florida | 12,291 | 5,260 | 30 | 1,165 | 578 | 7,033 |
| South Atlantic | 99,776 | 44,321 | 2,513 | 32,233 | 2,970 | 82,037 |
| Kentucky | 11,051 | 3,427 | 467 | 3,572 | 0 | 7,466 |
| Tennessee | 9,372 | 2,664 | 282 | 5,477 | 73 | 8,496 |
| Alabama | 35,002 | 15,205 | 477 | 9,554 | 1,397 | 26,633 |
| Mississippi | 37,014 | 14,183 | 1,331 | 12,807 | 778 | 29,099 |
| East South Central | 92,439 | 35,479 | 2,557 | 31,410 | 2,248 | 71,694 |
| Arkansas | 41,357 | 12,463 | 2,161 | 8,412 | 1,490 | 24,526 |
| Louisiana | 36,133 | 9,526 | 869 | 6,579 | 505 | 17,479 |
| Oklahoma | 29,114 | 18,402 | 844 | 8,436 | 56 | 27,738 |
| Texas | 57,559 | 28,757 | 1,085 | 18,537 | 711 | 49,090 |
| West South Central | 164,163 | 69,148 | 4,959 | 41,964 | 2,762 | 118,833 |
| Montana | 5,038 | 6,942 | 1,336 | 884 | 830 | 9,992 |
| Idaho | 4,084 | 4,938 | 175 | 783 | 243 | 6,139 |
| Wyoming | 4,224 | 6,318 | 258 | 433 | 41 | 7,050 |
| Colorado | 9,157 | 8,807 | 587 | 1,485 | 397 | 11,276 |
| New Mexico | 16,963 | 4,230 | 325 | 491 | 423 | 5,469 |
| Arizona | 1,235 | 1,043 | 1 | 235 | 104 | 1,383 |
| Utah | 3,001 | 3,077 | 143 | 421 | 270 | 3,911 |
| Nevada | 384 | 399 | 0 | 67 | 227 | 693 |
| Mountain | 44,086 | 35,754 | 2,825 | 4,799 | 2,535 | 45,913 |
| Washington | 5,139 | 4,747 | 370 | 853 | 60 | 6,030 |
| Oregon | 3,273 | 2,839 | 701 | 713 | 106 | 4,359 |
| California | 6,532 | 5,995 | 11 | 1,663 | 171 | 7,840 |
| Pacific | 14,944 | 13,581 | 1,082 | 3,229 | 337 | 18,229 |
| UNITED STATES | 638,808 | 315,288 | 19,875 | 164,559 | 14,240 | 513,962 |
| Possessions 8/ | 12,320 | 2,495 | 0 | 3,177 | 307 | 5,979 |

1/ Includes loans from State corporation trust funds and from the Resettlement Administration, the predecessor of the Farm Security Administration.
2/ Number of borrowers with outstanding loans.
3/ Loans to individuals on and off projects, water-facility loans, project-equipment loans, flood and windstorm production restoration loans, and wartime adjustment loans.
4/ Includes project-liquidation loans not pursuant to title I of the Bankhead-Jones Act and flood and windstorm real estate restoration loans.
5/ Includes farm-enlargement loans and project-liquidation loans pursuant to title I of the Bankhead-Jones Act.
6/ Includes loans to defense relocation corporations and water facilities associations.
7/ Includes small amount of loans in District of Columbia.
8/ Alaska, Hawaii, Puerto Rico, and Virgin Islands.

Farm Security Administration.

Table 6.- Federal land bank and Federal Farm Mortgage Corporation loans: Amount outstanding, principal repayments, other deductions, and loans closed, 1935-46 1/

FEDERAL LAND BANKS

| Year and quarter | Loans outstanding at beginning of year or quarter | Decreases in loans: Principal repayments 2/ | Decreases in loans: Other deductions (net) 3/ | Decreases in loans: Total | Loans closed 2/ | Net change in outstanding loans | Loans outstanding at end of year or quarter |
|---|---|---|---|---|---|---|---|
| | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars |
| 1935 | 1,915,792 | 41,991 | 50,546 | 92,537 | 248,670 | 156,133 | 2,071,925 |
| 1936 | 2,071,925 | 51,592 | 65,345 | 116,937 | 109,170 | -7,767 | 2,064,158 |
| 1937 | 2,064,158 | 67,380 | 24,563 | 91,943 | 63,092 | -28,851 | 2,035,307 |
| 1938 | 2,035,307 | 69,586 | 34,916 | 104,502 | 51,419 | -53,083 | 1,982,224 |
| 1939 | 1,982,224 | 92,451 | 36,700 | 129,151 | 51,582 | -77,569 | 1,904,655 |
| 1940 | 1,904,655 | 97,413 | 20,299 | 117,712 | 64,275 | -53,437 | 1,851,218 |
| 1941 | 1,851,218 | 128,704 | 23,184 | 151,888 | 65,068 | -86,820 | 1,764,398 |
| 1942 | 1,764,398 | 196,898 | 18,717 | 215,615 | 54,063 | -161,552 | 1,602,846 |
| 1943 | 1,602,846 | 294,099 | 12,710 | 306,809 | 61,900 | -244,909 | 1,357,937 |
| 1944 | 1,357,937 | 275,722 | 15,562 | 291,284 | 70,275 | -221,009 | 1,136,928 |
| 1945: | | | | | | | |
| Jan.-March | 1,136,928 | 65,080 | 4,758 | 69,838 | 24,106 | -45,732 | 1,091,196 |
| Apr.-June | 1,091,196 | 49,169 | 4,568 | 53,737 | 23,749 | -29,988 | 1,061,208 |
| July-Sept. | 1,061,208 | 48,673 | 3,941 | 52,614 | 31,869 | -20,745 | 1,040,463 |
| Oct.-Dec. | 1,040,463 | 58,703 | 5,478 | 64,181 | 51,305 | -12,876 | 1,027,587 |
| 1946: | | | | | | | |
| Jan.-March | 1,027,587 | 61,453 | 6,870 | 68,323 | 55,671 | -12,652 | 1,014,935 |
| Apr.-June | 1,014,935 | 48,253 | 7,727 | 55,980 | 48,691 | -7,289 | 1,007,646 |

FEDERAL FARM MORTGAGE CORPORATION 4/

| Year and quarter | Loans outstanding at beginning of year or quarter | Decreases in loans: Principal repayments 2/ | Decreases in loans: Other deductions (net) 3/ | Decreases in loans: Total | Loans closed 2/ | Net change in outstanding loans | Loans outstanding at end of year or quarter |
|---|---|---|---|---|---|---|---|
| 1935 | 616,825 | 11,955 | 6,540 | 18,495 | 196,396 | 177,901 | 794,726 |
| 1936 | 794,726 | 23,556 | 11,650 | 35,206 | 77,258 | 42,052 | 836,778 |
| 1937 | 836,778 | 46,513 | 17,536 | 64,049 | 40,020 | -24,029 | 812,749 |
| 1938 | 812,749 | 57,825 | 31,468 | 89,293 | 29,395 | -59,898 | 752,851 |
| 1939 | 752,851 | 64,005 | 25,383 | 89,388 | 27,417 | -61,971 | 690,880 |
| 1940 | 690,880 | 61,183 | 18,065 | 79,248 | 36,664 | -42,584 | 648,296 |
| 1941 | 648,296 | 76,373 | 12,654 | 89,027 | 37,533 | -51,494 | 596,802 |
| 1942 | 596,802 | 106,113 | 7,027 | 113,140 | 28,535 | -84,605 | 512,197 |
| 1943 | 512,197 | 133,021 | 3,483 | 136,504 | 30,497 | -106,007 | 406,190 |
| 1944 | 406,190 | 108,007 | 3,500 | 111,507 | 35,017 | -76,490 | 329,700 |
| 1945: | | | | | | | |
| Jan.-March | 329,700 | 24,141 | 977 | 25,118 | 11,631 | -13,487 | 316,213 |
| Apr.-June | 316,213 | 18,150 | 1,263 | 19,413 | 12,115 | -7,298 | 308,915 |
| July-Sept. | 308,915 | 35,673 | 522 | 36,195 | 2,473 | -33,722 | 275,193 |
| Oct.-Dec. | 275,193 | 49,389 | 650 | 50,039 | 3,243 | -46,796 | 228,397 |
| 1946: | | | | | | | |
| Jan.-March | 228,397 | 37,727 | 592 | 38,319 | 3,959 | -34,360 | 194,037 |
| Apr.-June | 194,037 | 24,262 | 626 | 24,888 | 5,055 | -19,833 | 174,204 |

1/ Includes Puerto Rico. Excludes purchase-money mortgages and sales contracts.
2/ "Principal repayments" to the Federal Farm Mortgage Corporation include loans taken over by the Federal land banks, which loans in turn are included in "loans closed" by the land banks.
3/ Includes foreclosures, voluntary deeds, loans in process of foreclosure, etc., less increases in loans by reason of reamortizations, reinstatements, etc.
4/ Loans of the Federal Farm Mortgage Corporation are made on its behalf by the Land Bank Commissioner.

Farm Credit Administration.

Table 7.- Federal land bank and Federal Farm Mortgage Corporation loans: Number delinquent as a percentage of number outstanding, by States, as of January 1, for selected years 1930-46 1/

| State and division | Federal land banks | | | | | | Federal Farm Mortgage Corporation 2/ | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1930 | 1934 | 1940 | 1942 | 1944 | 1946 | 1934 | 1940 | 1942 | 1944 | 1946 |
| | Percent | Percent | Percent | Percent | Percent | Percent | Percent | Percent | Percent | Percent | Percent |
| Maine | 4.6 | 47.6 | 43.5 | 40.2 | 15.9 | 13.0 | 0.0 | 54.9 | 49.3 | 21.2 | 15.7 |
| New Hampshire | .6 | 14.8 | 10.9 | 5.8 | 4.9 | 7.8 | .0 | 21.2 | 17.2 | 10.3 | 12.0 |
| Vermont | 7.5 | 32.6 | 18.9 | 10.2 | 6.4 | 7.3 | .0 | 27.9 | 15.9 | 9.6 | 9.0 |
| Massachusetts | 1.6 | 14.4 | 11.6 | 5.6 | 4.1 | 3.8 | 1.0 | 22.4 | 15.4 | 10.2 | 7.2 |
| Rhode Island | .0 | 10.8 | 14.0 | 6.5 | 6.3 | 5.1 | 3.6 | 24.3 | 15.0 | 10.6 | 8.2 |
| Connecticut | 1.5 | 19.2 | 11.6 | 4.8 | 5.2 | 4.5 | .7 | 19.7 | 10.1 | 7.3 | 7.5 |
| New England | 3.6 | 29.1 | 21.2 | 14.5 | 7.4 | 6.6 | .5 | 31.3 | 22.5 | 11.8 | 9.6 |
| New York | 4.6 | 27.2 | 17.8 | 10.5 | 5.5 | 6.0 | .8 | 25.0 | 17.0 | 7.9 | 7.9 |
| New Jersey | 3.6 | 26.9 | 15.2 | 7.7 | 4.5 | 5.2 | .8 | 25.8 | 15.2 | 7.5 | 7.4 |
| Pennsylvania | 6.1 | 32.0 | 10.7 | 12.8 | 10.0 | 7.5 | .0 | 12.8 | 10.7 | 6.2 | 6.9 |
| Middle Atlantic | 5.1 | 29.0 | 15.0 | 10.9 | 6.8 | 6.3 | .3 | 21.0 | 14.7 | 7.3 | 7.5 |
| Ohio | .9 | 29.6 | 8.6 | 4.3 | 3.9 | 2.8 | 4.5 | 13.5 | 5.7 | 4.7 | 4.7 |
| Indiana | 1.5 | 35.5 | 7.3 | 3.4 | 2.3 | 2.1 | 2.2 | 9.1 | 3.9 | 2.5 | 2.9 |
| Illinois | 2.9 | 46.1 | 7.5 | 5.1 | 2.8 | 3.8 | .1 | 11.4 | 6.9 | 3.4 | 9.2 |
| Michigan | 7.4 | 50.6 | 13.6 | 10.0 | 5.1 | 4.3 | .0 | 19.3 | 12.2 | 6.4 | 7.2 |
| Wisconsin | 7.8 | 51.5 | 27.5 | 18.3 | 7.9 | 4.4 | .1 | 40.2 | 22.9 | 11.9 | 9.2 |
| East North Central | 3.9 | 42.1 | 12.9 | 8.2 | 4.4 | 3.5 | .9 | 20.6 | 11.4 | 6.4 | 7.0 |
| Minnesota | 6.5 | 42.8 | 20.7 | 13.1 | 5.1 | 3.3 | .2 | 31.1 | 17.3 | 7.9 | 6.6 |
| Iowa | 1.2 | 36.0 | 13.8 | 8.2 | 3.6 | 3.2 | .1 | 17.4 | 10.0 | 5.1 | 10.1 |
| Missouri | 12.6 | 45.9 | 12.5 | 9.1 | 6.1 | 4.1 | .1 | 14.8 | 7.3 | 4.6 | 5.5 |
| North Dakota | 9.3 | 67.4 | 72.8 | 58.8 | 28.0 | 6.4 | .0 | 86.3 | 59.4 | 35.8 | 10.0 |
| South Dakota | 3.9 | 65.9 | 40.1 | 26.6 | 11.6 | 3.1 | .0 | 50.8 | 31.3 | 15.3 | 7.4 |
| Nebraska | 2.4 | 36.8 | 43.5 | 34.7 | 16.5 | 6.9 | .1 | 53.3 | 38.6 | 22.3 | 15.2 |
| Kansas | 3.8 | 39.8 | 37.4 | 23.0 | 8.1 | 3.8 | .0 | 50.7 | 27.5 | 9.1 | 7.4 |
| West North Central | 4.2 | 46.0 | 32.5 | 22.9 | 10.0 | 4.2 | .1 | 42.5 | 25.4 | 13.1 | 8.5 |
| Delaware | 3.6 | 36.4 | 8.6 | 7.0 | 3.3 | 2.0 | .0 | 14.3 | 10.9 | 2.6 | 2.8 |
| Maryland | 4.2 | 30.1 | 12.7 | 10.4 | 5.6 | 5.7 | .0 | 19.1 | 12.8 | 6.5 | 8.6 |
| Virginia | 5.1 | 44.4 | 11.8 | 13.5 | 8.6 | 7.1 | .0 | 17.7 | 12.6 | 8.0 | 7.2 |
| West Virginia | 4.8 | 42.3 | 9.4 | 8.5 | 5.6 | 5.9 | .0 | 13.4 | 9.1 | 6.9 | 6.6 |
| North Carolina | 8.3 | 56.6 | 25.6 | 15.2 | 10.8 | 11.4 | 2.4 | 29.6 | 12.9 | 9.7 | 13.4 |
| South Carolina | 20.6 | 57.1 | 35.5 | 31.5 | 17.3 | 16.9 | 5.2 | 36.9 | 34.1 | 18.0 | 19.2 |
| Georgia | 10.2 | 61.5 | 35.7 | 24.1 | 11.0 | 11.8 | 1.9 | 32.9 | 22.4 | 10.8 | 12.5 |
| Florida | 6.4 | 52.9 | 29.1 | 17.1 | 6.4 | 4.7 | .3 | 14.7 | 12.2 | 5.7 | 6.2 |
| South Atlantic | 8.9 | 52.3 | 24.7 | 18.4 | 10.2 | 10.3 | 1.9 | 27.9 | 19.1 | 10.7 | 12.6 |
| Kentucky | 2.0 | 43.9 | 13.5 | 5.9 | 4.1 | 5.0 | 11.7 | 18.0 | 7.0 | 4.7 | 6.0 |
| Tennessee | 1.6 | 40.3 | 9.9 | 4.4 | 5.0 | 6.2 | 5.1 | 13.5 | 4.7 | 4.9 | 6.8 |
| Alabama | 12.7 | 60.8 | 32.0 | 19.0 | 10.4 | 9.9 | .0 | 44.8 | 21.9 | 9.6 | 9.9 |
| Mississippi | 11.9 | 73.8 | 33.7 | 25.4 | 10.4 | 12.8 | .0 | 48.5 | 29.7 | 10.1 | 14.0 |
| East South Central | 9.1 | 58.9 | 23.9 | 15.0 | 8.1 | 9.1 | 3.9 | 31.4 | 16.5 | 7.6 | 9.8 |
| Arkansas | 3.3 | 67.2 | 8.4 | 5.9 | 4.2 | 6.3 | .0 | 9.9 | 4.3 | 4.2 | 8.5 |
| Louisiana | 11.5 | 69.0 | 25.7 | 24.9 | 13.2 | 14.2 | .0 | 31.4 | 27.8 | 12.0 | 16.6 |
| Oklahoma | 6.9 | 39.5 | 18.1 | 11.6 | 7.7 | 5.6 | .0 | 27.9 | 13.8 | 9.4 | 7.9 |
| Texas | .7 | 42.2 | 18.7 | 15.5 | 5.0 | 3.3 | .0 | 17.5 | 14.4 | 5.4 | 7.3 |
| West South Central | 3.2 | 49.0 | 18.3 | 14.9 | 6.1 | 4.9 | .0 | 20.2 | 14.3 | 6.7 | 8.4 |
| Montana | 9.3 | 61.5 | 34.6 | 22.7 | 11.1 | 8.7 | .0 | 37.0 | 19.0 | 9.4 | 10.5 |
| Idaho | 6.7 | 55.5 | 20.5 | 13.5 | 5.9 | 6.9 | .0 | 27.5 | 17.3 | 8.1 | 9.9 |
| Wyoming | 3.0 | 43.4 | 23.5 | 16.8 | 10.3 | 7.7 | 1.3 | 31.7 | 19.9 | 14.1 | 12.5 |
| Colorado | 5.6 | 55.0 | 28.1 | 20.3 | 11.9 | 8.4 | .0 | 35.0 | 21.3 | 11.9 | 10.9 |
| New Mexico | 5.2 | 36.1 | 12.9 | 10.1 | 6.4 | 6.3 | .0 | 20.1 | 12.2 | 5.8 | 10.8 |
| Arizona | 1.9 | 61.5 | 22.0 | 17.9 | 8.6 | 7.4 | .6 | 21.6 | 19.2 | 9.5 | 10.0 |
| Utah | 4.1 | 70.0 | 29.5 | 22.2 | 6.0 | 8.3 | 1.5 | 39.2 | 28.9 | 8.2 | 11.3 |
| Nevada | 2.0 | 56.1 | 24.2 | 12.5 | 10.1 | 6.3 | .0 | 23.7 | 8.3 | 7.2 | 7.8 |
| Mountain | 5.9 | 55.5 | 25.1 | 17.7 | 8.7 | 7.7 | .4 | 32.3 | 19.9 | 9.8 | 10.8 |
| Washington | 6.8 | 46.4 | 15.5 | 9.4 | 4.9 | 5.9 | .4 | 21.7 | 11.5 | 5.7 | 7.3 |
| Oregon | 6.4 | 49.6 | 17.7 | 10.8 | 4.2 | 4.2 | .0 | 22.2 | 12.1 | 5.5 | 6.5 |
| California | 1.4 | 40.0 | 21.4 | 10.3 | 4.1 | 3.2 | .5 | 27.3 | 11.7 | 5.2 | 4.7 |
| Pacific | 5.1 | 44.9 | 18.8 | 10.1 | 4.4 | 4.1 | .4 | 25.4 | 11.7 | 5.3 | 5.4 |
| UNITED STATES | 5.5 | 48.5 | 22.5 | 15.8 | 7.5 | 5.6 | 1.0 | 29.7 | 17.8 | 9.2 | 8.9 |

1/ Includes all loans with unpaid matured installments even though such installments may have been extended or deferred.
2/ Loans held by the Federal Farm Mortgage Corporation are made on its behalf by the Land Bank Commissioner.

Farm Credit Administration.

Table 8.- Loans made by Federal land banks and Federal Farm Mortgage Corporation and estimated amount of farm mortgages recorded by other lenders, United States, 1934-46 1/

| Period | Loans made: Federal land banks | Loans made: Federal Farm Mortgage Corporation 2/ | Mortgages recorded by other lenders 3/: Individuals | Commercial banks | Insurance companies | Miscellaneous | Total | Total all lenders |
|---|---|---|---|---|---|---|---|---|
| | Million dollars | Million dollars | Million dollars | Million dollars | Million dollars | Million dollars | Million dollars | Million dollars |
| 1934 ......... | 730.1 | 553.0 | 219.6 | 110.9 | 45.7 | 80.8 | 457.0 | 1,740.1 |
| 1935 ......... | 247.6 | 195.9 | 257.8 | 164.9 | 76.4 | 71.7 | 570.8 | 1,014.3 |
| 1936 ......... | 108.6 | 76.9 | 255.3 | 186.1 | 115.1 | 60.4 | 616.9 | 802.4 |
| 1937 ......... | 62.8 | 39.7 | 262.9 | 212.8 | 128.2 | 51.3 | 655.2 | 757.7 |
| 1938 ......... | 51.3 | 29.1 | 234.1 | 210.0 | 137.4 | 61.3 | 642.8 | 723.2 |
| 1939 ......... | 51.5 | 27.2 | 226.7 | 217.8 | 148.0 | 57.8 | 650.3 | 729.0 |
| 1940 ......... | 63.9 | 36.4 | 225.6 | 219.9 | 145.5 | 81.2 | 672.2 | 772.5 |
| 1941 ......... | 64.7 | 37.3 | 247.7 | 221.3 | 160.5 | 102.5 | 732.0 | 834.0 |
| 1942 ......... | 53.6 | 28.2 | 248.7 | 191.0 | 154.6 | 86.7 | 681.0 | 762.8 |
| 1943 ......... | 61.2 | 30.1 | 350.4 | 233.1 | 167.1 | 73.9 | 824.5 | 915.8 |
| 1944 ......... | 69.4 | 34.5 | 386.2 | 255.3 | 160.8 | 64.8 | 867.1 | 971.0 |
| 1945: 4/ | | | | | | | | |
| Jan.-March . | 23.9 | 11.4 | 118.9 | 83.5 | 51.7 | 19.0 | 273.1 | 308.4 |
| Apr.-June .. | 23.2 | 11.7 | 102.2 | 76.1 | 35.2 | 13.7 | 227.2 | 262.1 |
| July-Sept. . | 18.1 | 2.4 | 88.1 | 68.4 | 24.8 | 10.4 | 191.7 | 212.2 |
| Oct.-Dec. .. | 26.7 | 3.1 | 108.2 | 84.7 | 33.5 | 15.6 | 242.0 | 271.8 |
| 1946: 4/ | | | | | | | | |
| Jan.-March . | 36.1 | 3.8 | 157.5 | 129.5 | 67.7 | 23.3 | 378.0 | 417.9 |
| Apr.-June .. | 38.2 | 4.9 | 133.0 | 139.2 | 48.1 | 21.2 | 341.5 | 384.6 |

1/ Continental United States only.
2/ Loans of the Federal Farm Mortgage Corporation are made on its behalf by the Land Bank Commissioner.
3/ Based on reports from counties including from 30 to 48 percent of the farms in the United States.
4/ Sum of quarterly figures will not always equal annual total because of rounding of figures.

Farm Credit Administration.

Table 9 .- Interest rates charged on new loans and discounts by institutions under the supervision of the Farm Credit Administration as of December 31, for selected years, 1934-45

| Item | 1934 | 1936 | 1938 | 1940 | 1941 | 1942 | 1943 | 1944 | 1945 |
|---|---|---|---|---|---|---|---|---|---|
| | Percent | Percent | Percent | Percent | Percent | Percent | Percent | Percent | Percent |
| Federal land banks: | | | | | | | | | |
| National farm loan associations: | | | | | | | | | |
| Contract rate . . . . . . . . . . . . | 5 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Reduced rate 1/ . . . . . . . . . . . | 4 1/2 | 3 1/2 | 3 1/2 | 3 1/2 | 3 1/2 | 3 1/2 | 3 1/2 | - | - |
| Direct: 2/ | | | | | | | | | |
| Contract rate . . . . . . . . . . . . | 5 1/2 | 4 1/2 | 4 1/2 | 4 1/2 | 4 1/2 | 4 1/2 | 4 1/2 | 4 1/2 | 4 1/2 |
| Reduced rate 1/ . . . . . . . . . . . | 5 | 4 | 4 | 4 | 4 | 4 | 4 | - | - |
| Land Bank Commissioner: 3/ | | | | | | | | | |
| Contract rate . . . . . . . . . . . . | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Reduced rate 1/ . . . . . . . . . . . | - | - | 4 | 3 1/2 | 3 1/2 | 3 1/2 | 3 1/2 | 4 | - |
| Production credit associations 4/ . . . . . . | 5 | 5 | 5 | 4 1/2 | 4 1/2 | 4 1/2 | 4 1/2 | 4 1/2 | 4 1/2 |
| Federal intermediate credit banks 4/. . . . . . | 2 | 2 | 2 | 1 1/2 | 1 1/2 | 1 1/2 | 1 1/2 | 1 1/2 | 1 1/2 |
| Banks for cooperatives: 4/ | | | | | | | | | |
| Loans secured by Commodity Credit Corporation documents . . . . . . . . . . . | - | - | - | - | - | - | 3/4 | 1 | 1 |
| Commodity loans . . . . . . . . . . . | - | 2 | 2 | 1 1/2 | 1 1/2 | 1 1/2 | 1 1/2 | 1 1/2 | 1 1/2 |
| Operating capital loans . . . . . . . | 3 | 3 | 3 | 2 1/2 | 2 1/2 | 2 1/2 | 2 1/2 | 2 1/2 | 2 1/2 |
| Facility loans . . . . . . . . . . . | 4 1/2 | 4 | 4 | 4 | 3 1/2 | 3 1/2 | 3 1/2 | 4 | 4 |
| Emergency crop and feed loans . . . . . . . | 5 1/2 | 5 1/2 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Drought-relief loans . . . . . . . . . . | 5 1/2 | - | - | - | - | - | - | - | - |
| Regional agricultural credit corporations . . . | 6 1/2 | 6 1/2 | 6 1/2 | 5 1/2 | 5 1/2 | 5 1/2 | 5/ 5 1/2 | 5 1/2 | 5 1/2 |
| Agricultural Marketing Act revolving fund: | | | | | | | | | |
| Operating capital loans . . . . . . . | 3 | 3 | 3 | 2 1/2 | 2 1/2 | 2 1/2 | 2 1/2 | 2 1/2 | 2 1/2 |
| Facility loans . . . . . . . . . . . | 4 1/2 | 4 | 4 | 4 | 4 | 3 1/2 | 3 1/2 | 4 | - |

1/ Reduced rates to borrowers on Federal land bank loans were in effect between July 11, 1933 and July 1, 1944 and on Land Bank Commissioner loans between July 22, 1937 and July 1, 1945.
2/ Includes loans made in Puerto Rico.
3/ Land Bank Commissioner loans are made on behalf of the Federal Farm Mortgage Corporation.
4/ Interest rate in Puerto Rico, one-half of 1 percent higher.
5/ Under a program announced by the Secretary of Agriculture on January 21, 1943, the interest rate on production loans financed through the regional agricultural credit corporations was set at 5 percent.

NOTE: The interest rate on mortgage loans made by joint-stock land banks, which were placed in liquidation May 12, 1933, varied from 4 to 6 percent per annum, the latter rate being the maximum allowed by law.

Farm Credit Administration.

Table 10.- Real estate, sheriffs' certificates, judgments, etc., acquired and held by the Federal land banks and the Federal Farm Mortgage Corporation, 1925-45 1/

| Year | Acquired during year 2/ | | | | Held as of December 31 | | | |
|---|---|---|---|---|---|---|---|---|
| | Federal land banks | | Federal Farm Mortgage Corporation | | Federal land banks | | Federal Farm Mortgage Corporation | |
| | Number | Investment | Number | Investment 3/ | Number | Investment | Number | Investment 3/ |
| | Number | 1,000 dollars | Number | 1,000 dollars | Number | 1,000 dollars | Number | 1,000 dollars |
| 1925 | 2,250 | 8,232 | | | 2,758 | 11,048 | | |
| 1926 | 2,285 | 9,621 | | | 4,023 | 16,596 | | |
| 1927 | 2,090 | 9,190 | | | 5,174 | 21,892 | | |
| 1928 | 2,652 | 14,598 | | | 6,010 | 26,478 | | |
| 1929 | 3,109 | 13,340 | | | 6,641 | 29,517 | | |
| 1930 | 4,318 | 17,177 | | | 8,516 | 36,865 | | |
| 1931 | 7,036 | 27,320 | | | 12,609 | 53,588 | | |
| 1932 | 10,102 | 43,045 | | | 18,449 | 83,158 | | |
| 1933 | 6,488 | 26,941 | | | 21,895 | 96,632 | | |
| 1934 | 4,766 | 16,067 | 2 | 5 | 22,918 | 96,655 | 2 | 11 |
| 1935 | 11,459 | 43,219 | 252 | 486 | 27,465 | 119,409 | 236 | 455 |
| 1936 | 12,510 | 49,730 | 2,624 | 5,809 | 28,954 | 128,893 | 2,379 | 5,861 |
| 1937 | 8,586 | 32,676 | 4,396 | 10,469 | 25,776 | 117,932 | 5,107 | 14,106 |
| 1938 | 7,166 | 29,233 | 6,576 | 17,267 | 23,974 | 115,345 | 8,245 | 23,884 |
| 1939 | 10,236 | 44,654 | 7,679 | 22,177 | 25,774 | 125,800 | 9,625 | 29,437 |
| 1940 | 5,242 | 23,029 | 3,790 | 12,626 | 21,337 | 109,066 | 7,503 | 25,113 |
| 1941 | 4,129 | 17,592 | 3,201 | 10,191 | 14,578 | 73,600 | 5,204 | 18,217 |
| 1942 | 3,067 | 12,968 | 3,245 | 10,994 | 8,322 | 40,435 | 4,056 | 14,322 |
| 1943 | 1,294 | 6,036 | 1,946 | 7,249 | 3,625 | 16,779 | 2,423 | 9,067 |
| 1944 | 513 | 2,331 | 758 | 2,958 | 1,423 | 6,680 | 1,120 | 4,314 |
| 1945 | 243 | 1,040 | 311 | 1,143 | 397 | 1,916 | 365 | 1,451 |

1/ Excludes Puerto Rico except for acquisitions by the Federal land banks during years 1931-34.
2/ Excludes reacquirements.
3/ Excludes prior liens.

Farm Credit Administration.

Table 11.- Farm real estate held by selected lending agencies, United States, January 1, 1930-46

| Year | Federal land banks 1/ | Federal Farm Mortgage Corporation 1/ | | Life insurance companies 2/ | Joint-stock land banks 3/ | Insured commercial banks 4/ | Three State credit agencies 5/ |
|---|---|---|---|---|---|---|---|
| | | Excluding prior liens | Including prior liens | | | | |
| | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars |
| 1930 | 29,517 | | | 107,058 | 19,685 | 6/ | 26,860 |
| 1931 | 36,865 | | | 123,403 | 22,202 | 6/ | 33,511 |
| 1932 | 53,588 | | | 190,694 | 37,957 | 6/ | 39,008 |
| 1933 | 83,158 | | | 287,773 | 71,741 | 6/ | 47,454 |
| 1934 | 96,632 | | | 428,331 | 85,740 | 6/ | 56,094 |
| 1935 | 96,655 | 11 | 11 | 558,211 | 81,700 | 6/ | 60,270 |
| 1936 | 119,409 | 455 | 455 | 588,761 | 78,204 | 7/ 74,166 | 61,531 |
| 1937 | 128,893 | 5,861 | 10,449 | 634,005 | 72,781 | 69,525 | 68,444 |
| 1938 | 117,932 | 14,106 | 21,646 | 612,120 | 62,030 | 56,311 | 72,040 |
| 1939 | 115,345 | 23,884 | 34,558 | 607,358 | 53,885 | 49,143 | 71,846 |
| 1940 | 125,800 | 29,437 | 40,378 | 599,653 | 46,827 | 42,045 | 68,324 |
| 1941 | 109,066 | 25,114 | 32,780 | 547,637 | 36,172 | 33,373 | 60,900 |
| 1942 | 73,600 | 18,216 | 23,614 | 441,772 | 25,130 | 22,841 | 53,498 |
| 1943 | 40,435 | 14,322 | 19,909 | 336,233 | 18,306 | 8/ 19,532 | 44,145 |
| 1944 | 16,779 | 9,067 | 12,615 | 205,410 | 6,605 | 6/ | 36,159 |
| 1945 | 6,680 | 4,314 | 6,039 | 119,169 | 4,201 | 6/ | 32,691 |
| 1946 | 1,916 | 1,451 | 2,111 | 81,616 | 1,601 | 6/ | 3,619 |

1/ Investment. Includes sheriffs' certificates and judgments.
2/ Book value. Partially estimated.
3/ Carrying value. Includes sheriffs' certificates and judgments. Real estate held by banks in receivership included at book value.
4/ Book value.
5/ Investment. Department of Rural Credit of Minnesota, Bank of North Dakota, and Rural Credit Board of South Dakota. The large reduction during 1945 is mostly due to a charge-off of approximately $27,000,000 of cumulated losses by the Rural Credit Board of South Dakota upon completion of liquidation.
6/ Data unavailable.
7/ June 30.
8/ June 30, 1942.

Table 12.- Average interest rates on farm-mortgage loans held by various lender groups, United States, as of January 1, for selected years 1910-46 1/

| Year | Federal land banks and Federal Farm Mortgage Corporation | Life insurance companies | Other lenders | | | | Total all lenders |
|---|---|---|---|---|---|---|---|
| | | | Banks | Individuals | Others | Total | |
| | Percent | Percent | Percent | Percent | Percent | Percent | Percent |
| 1910 | - | 5.5 | 6.2 | 6.0 | 6.5 | 6.1 | 6.0 |
| 1920 | 5.4 | 5.8 | 6.5 | 6.1 | 6.3 | 6.2 | 6.1 |
| 1923 | 5.6 | 6.0 | 7.0 | 6.3 | 6.6 | 6.5 | 6.4 |
| 1930 | 5.4 | 5.7 | 6.5 | 6.1 | 6.1 | 6.2 | 6.0 |
| 1935 | 4.6 | 5.6 | 6.3 | 5.9 | 6.0 | 6.0 | 5.5 |
| 1940 | 3.7 | 4.9 | 5.5 | 5.2 | 5.1 | 5.3 | 4.6 |
| 1941 | 3.5 | 4.9 | 2/ | 2/ | 2/ | 5.3 | 4.5 |
| 1942 | 3.5 | 4.8 | 2/ | 2/ | 2/ | 5.3 | 4.5 |
| 1943 | 3.5 | 4.8 | 2/ | 2/ | 2/ | 5.2 | 4.5 |
| 1944 | 3.5 | 4.6 | 2/ | 2/ | 2/ | 5.2 | 4.5 |
| 1945 | 4.1 | 4.5 | 2/ | 2/ | 2/ | 5.2 | 4.8 |
| 1946 | 4.2 | 4.5 | 2/ | 2/ | 2/ | 5.1 | 4.8 |

1/ Contract rates, except on loans of Federal land banks, 1934-44, and Federal Farm Mortgage Corporation, 1938-45, which are included at temporarily reduced rates.
2/ Data not available.

Table 13.- Estimated amount of interest charges payable on farm-mortgage debt, by geographic divisions, for selected years 1910-45 1/

| Geographic division | 1910 | 1922 | 1930 | 1935 | 1940 | 1942 | 1943 | 1944 | 1945 |
|---|---|---|---|---|---|---|---|---|---|
| | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars |
| New England ........ | 3,992 | 7,970 | 10,086 | 9,338 | 7,254 | 6,842 | 6,640 | 6,853 | 6,997 |
| Middle Atlantic .... | 14,715 | 26,250 | 26,866 | 22,269 | 18,033 | 17,076 | 16,208 | 15,741 | 15,591 |
| East North Central . | 46,373 | 122,875 | 107,039 | 78,630 | 62,946 | 60,580 | 55,431 | 52,843 | 51,489 |
| West North Central . | 77,492 | 280,130 | 198,084 | 134,923 | 91,389 | 88,821 | 81,703 | 77,107 | 73,152 |
| South Atlantic ..... | 8,910 | 35,480 | 31,974 | 21,894 | 19,454 | 19,712 | 18,885 | 18,792 | 18,846 |
| East South Central . | 8,052 | 27,340 | 25,961 | 18,758 | 18,346 | 18,605 | 17,379 | 16,873 | 16,548 |
| West South Central . | 21,358 | 73,650 | 72,072 | 47,081 | 31,989 | 32,058 | 29,675 | 28,877 | 27,556 |
| Mountain ........... | 8,666 | 56,213 | 38,691 | 25,014 | 16,669 | 14,441 | 12,654 | 12,122 | 12,015 |
| Pacific ............ | 13,630 | 49,996 | 58,983 | 38,185 | 29,291 | 27,231 | 25,702 | 25,775 | 25,642 |
| UNITED STATES .... | 203,188 | 679,904 | 569,756 | 396,092 | 295,371 | 285,366 | 264,277 | 254,983 | 247,836 |

1/ Payable during calendar year. Excludes amounts paid by Secretary of the Treasury to Federal land banks, 1933-44, and Federal Farm Mortgage Corporation, 1937-45, as reimbursement for interest reductions granted borrowers.

Table 14.- Non-real-estate loans to farmers by principal credit institutions: Amounts outstanding on January 1 and July 1, 1935-46, United States 1/

| Date | Commercial banks 2/: Excluding Commodity Credit Corporation guarantees | Commercial banks 2/: Including Commodity Credit Corporation guarantees 3/ | Agencies supervised by the Farm Credit Administration: Production credit associations: Excluding Commodity Credit Corporation guarantees | Agencies supervised by the Farm Credit Administration: Production credit associations: Including Commodity Credit Corporation guarantees 3/ | Agencies supervised by the Farm Credit Administration: Federal intermediate credit banks 4/: Excluding Commodity Credit Corporation guarantees | Agencies supervised by the Farm Credit Administration: Federal intermediate credit banks 4/: Including Commodity Credit Corporation guarantees 3/ | Agencies supervised by the Farm Credit Administration: Regional agricultural credit corporations | Agencies supervised by the Farm Credit Administration: Emergency Crop and Feed Loan Office 5/ | Farm Security Administration 6/ | Commodity Credit Corporation: Loans held 7/ | Commodity Credit Corporation: Institutional loans guaranteed 3/ | Total 2/: Excluding Commodity Credit Corporation loans held or guaranteed | Total 2/: Including Commodity Credit Corporation loans held or guaranteed 3/ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars |
| 1935: | | | | | | | | | | | | | |
| Jan. 1 | 627,878 | 840,887 | 60,459 | | 55,083 | | 87,087 | 111,238 | 5,600 | 37,162 | 213,009 | 947,345 | 1,197,516 |
| July 1 | 670,877 | 805,292 | 106,402 | | 57,705 | | 72,759 | 198,240 | 47,249 | 151,735 | 134,415 | 1,153,232 | 1,439,382 |
| 1936: | | | | | | | | | | | | | |
| Jan. 1 | 735,257 | 743,731 | 93,400 | | 46,518 | | 43,394 | 172,470 | 62,900 | 271,219 | 8,474 | 1,153,939 | 1,433,632 |
| July 1 | 690,335 | 692,238 | 139,062 | | 53,959 | | 36,020 | 176,415 | 128,691 | 236,268 | 1,903 | 1,224,482 | 1,462,653 |
| 1937: | | | | | | | | | | | | | |
| Jan. 1 | 620,866 | 620,920 | 104,481 | | 40,508 | | 25,282 | 164,762 | 131,600 | 204,511 | 54 | 1,087,499 | 1,292,064 |
| July 1 | 757,883 | 757,926 | 158,752 | | 47,306 | | 22,908 | 189,186 | 171,394 | 116,827 | 43 | 1,347,429 | 1,464,299 |
| 1938: | | | | | | | | | | | | | |
| Jan. 1 | 682,545 | 821,935 | 136,918 | | 39,974 | | 15,588 | 171,983 | 162,802 | 173,134 | 139,390 | 1,209,810 | 1,522,334 |
| July 1 | 827,715 | 971,805 | 183,296 | | 42,703 | | 14,788 | 184,656 | 207,239 | 228,913 | 144,090 | 1,460,397 | 1,833,400 |
| 1939: | | | | | | | | | | | | | |
| Jan. 1 | 788,716 | 1,109,489 | 146,825 | | 32,612 | | 11,080 | 170,952 | 209,806 | 308,950 | 320,773 | 1,359,991 | 1,989,714 |
| July 1 | 841,343 | 1,234,265 | 186,945 | | 39,794 | | 10,234 | 179,812 | 280,528 | 330,097 | 392,922 | 1,538,656 | 2,261,675 |
| 1940: | | | | | | | | | | | | | |
| Jan. 1 | 900,079 | 1,134,573 | 153,425 | | 32,316 | | 8,005 | 167,795 | 276,138 | 208,193 | 234,494 | 1,537,758 | 1,980,445 |
| July 1 | 1,001,454 | 1,228,153 | 199,219 | | 40,033 | | 7,768 | 180,798 | 320,324 | 150,183 | 226,599 | 1,749,596 | 2,126,478 |
| 1941: | | | | | | | | | | | | | |
| Jan. 1 | 983,774 | 1,326,120 | 170,686 | 178,856 | 32,371 | 33,116 | 5,855 | 167,862 | 312,717 | 252,287 | 351,271 | 1,673,265 | 2,275,823 |
| July 1 | 1,093,787 | 1,204,146 | 219,303 | 221,788 | 42,041 | 42,106 | 6,658 | 178,818 | 362,545 | 214,554 | 112,309 | 1,903,752 | 2,230,915 |
| 1942: | | | | | | | | | | | | | |
| Jan. 1 | 1,159,077 | 1,497,205 | 185,611 | 201,589 | 37,382 | 37,939 | 5,532 | 163,792 | 339,083 | 133,018 | 354,663 | 1,890,477 | 2,378,158 |
| July 1 | 1,103,484 | 1,203,578 | 245,846 | 250,460 | 45,263 | 45,615 | 4,249 | 176,062 | 397,274 | 159,585 | 105,060 | 1,972,178 | 2,236,623 |
| 1943: | | | | | | | | | | | | | |
| Jan. 1 | 924,265 | 1,698,556 | 182,658 | 205,873 | 37,854 | 38,182 | 3,991 | 155,456 | 362,343 | 104,366 | 797,834 | 1,666,567 | 2,568,767 |
| July 1 | 982,225 | 1,356,798 | 254,841 | 266,334 | 39,708 | 40,518 | 53,754 | 164,948 | 378,509 | 57,968 | 386,876 | 1,873,985 | 2,318,879 |
| 1944: | | | | | | | | | | | | | |
| Jan. 1 | 935,101 | 1,545,548 | 196,637 | 210,232 | 33,882 | 34,137 | 32,047 | 146,181 | 338,714 | 93,104 | 624,297 | 1,682,562 | 2,399,963 |
| July 1 | 1,002,167 | 1,513,763 | 266,396 | 274,147 | 34,816 | 35,316 | 20,561 | 156,187 | 342,246 | 8/ 76,537 | 519,947 | 1,822,373 | 2,418,757 |
| 1945: | | | | | | | | | | | | | |
| Jan. 1 | 949,079 | 1,769,229 | 188,306 | 203,794 | 29,792 | 29,966 | 12,195 | 138,068 | 302,101 | 8/ 146,670 | 835,812 | 1,619,541 | 2,602,023 |
| July 1 | 1,068,997 | 1,673,517 | 262,781 | 266,693 | 29,566 | 29,658 | 9,522 | 145,908 | 310,320 | 46,016 | 608,524 | 1,827,094 | 2,481,634 |
| 1946: | | | | | | | | | | | | | |
| Jan. 1 | 1,037,804 | 1,346,265 | 194,788 | 201,135 | 26,487 | 26,487 | 6,151 | 128,901 | 278,280 | 98,304 | 314,808 | 1,672,411 | 2,086,123 |
| July 1 | 9/ 1,301,949 | 9/ 1,398,949 | 300,385 | 300,649 | 33,515 | 33,515 | 3,820 | 135,259 | 315,288 | 32,996 | 97,264 | 9/ 2,090,216 | 9/ 2,220,476 |

1/ Excludes Territories and possessions.
2/ New series. Data cover all active banks whereas previously data covered insured banks only. For discussion of new series see "Short-term Agricultural Loans of Commercial Banks, 1910-45" in Agr. Fin. Rev., November 1945.
3/ Guarantees include loans secured by agricultural commodities covered by purchase agreements of the Commodity Credit Corporation and certificates of participation in cotton producers' pool. After Jan. 1, 1943 also includes some loans to processors of and dealers in agricultural commodities and some advances by banks to C.C.C. Guaranteed loans held by banks prior to Jan. 1, 1943 were as reported by the C.C.C. but since that time they are as reported by banks.
4/ Loans to and discounts for private financing institutions.
5/ Includes seed, feed, crop production, drought relief, and orchard rehabilitation loans, some of which were made by predecessors (Farmers' Seed Loan Office and Emergency Crop Production Office).
6/ Rural rehabilitation, water facility, and project-equipment loans. Includes loans from State rural rehabilitation corporation trust funds and loans made by its predecessor (Resettlement Administration).
7/ Excludes loans and certificates of participation in the cotton producers' pool held by commercial banks and Federal agencies.
8/ Revised.
9/ Preliminary.

Table 15.- Non-real-estate loans to farmers held by insured commercial banks and by all active commercial banks, by States, on specified dates, 1945-46 1/

| State and division | Insured commercial banks | | | | | All active commercial banks | | |
|---|---|---|---|---|---|---|---|---|
| | January 1, 1945 | 1946 | | | | January 1, 1945 | January 1, 1946 | |
| | | January 1 | | July 1 | | | | |
| | | Total | Under Commodity Credit Corporation guarantee 2/ | Total | Under Commodity Credit Corporation guarantee 2/ | | Total | Under Commodity Credit Corporation guarantee 2/ |
| | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars |
| Maine | 6,080 | 9,528 | 6,708 | 3,970 | 0 | 6,745 | 9,982 | 6,708 |
| New Hampshire | 778 | 1,099 | 24 | 1,361 | 40 | 797 | 1,177 | 24 |
| Vermont | 4,373 | 5,942 | 0 | 7,149 | 0 | 4,545 | 6,151 | 0 |
| Massachusetts | 65,779 | 2,226 | 21 | 2,709 | 4 | 66,037 | 2,544 | 21 |
| Rhode Island | 234 | 534 | 53 | 492 | 54 | 238 | 534 | 53 |
| Connecticut | 1,725 | 1,772 | 0 | 2,331 | 26 | 1,882 | 1,996 | 0 |
| New England | 78,969 | 21,101 | 6,806 | 18,012 | 124 | 80,244 | 22,384 | 6,806 |
| New York | 51,877 | 23,791 | 377 | 32,955 | 154 | 3/ 51,877 | 3/ 23,797 | 3/ 377 |
| New Jersey | 3,349 | 3,374 | 23 | 5,277 | 0 | 3,349 | 3,374 | 23 |
| Pennsylvania | 14,123 | 14,686 | 579 | 17,319 | 120 | 14,221 | 14,795 | 579 |
| Middle Atlantic | 69,349 | 41,851 | 979 | 55,551 | 274 | 69,447 | 41,966 | 979 |
| Ohio | 22,161 | 22,049 | 414 | 28,853 | 209 | 22,358 | 22,131 | 414 |
| Indiana | 22,265 | 27,495 | 1,379 | 32,451 | 0 | 22,657 | 28,152 | 1,413 |
| Illinois | 70,361 | 54,417 | 176 | 56,951 | 27 | 70,815 | 54,417 | 176 |
| Michigan | 18,719 | 21,862 | 1,770 | 27,748 | 1,571 | 19,070 | 22,273 | 1,800 |
| Wisconsin | 23,619 | 24,484 | 60 | 28,754 | 61 | 23,879 | 24,635 | 60 |
| East North Central | 157,125 | 150,307 | 3,799 | 174,757 | 1,868 | 158,779 | 151,608 | 3,863 |
| Minnesota | 55,263 | 50,699 | 3,834 | 49,730 | 198 | 56,147 | 51,571 | 3,877 |
| Iowa | 91,596 | 88,100 | 1,146 | 85,718 | 564 | 96,835 | 93,359 | 1,146 |
| Missouri | 61,122 | 53,330 | 7,910 | 60,228 | 760 | 62,618 | 54,955 | 7,910 |
| North Dakota | 36,472 | 16,929 | 7,585 | 13,760 | 5 | 37,290 | 17,532 | 7,843 |
| South Dakota | 35,585 | 28,164 | 4,767 | 26,079 | 130 | 35,710 | 28,319 | 4,770 |
| Nebraska | 66,139 | 62,310 | 4,305 | 49,553 | 8 | 69,197 | 65,080 | 4,875 |
| Kansas | 80,469 | 49,506 | 5,052 | 59,820 | 117 | 99,614 | 61,074 | 6,249 |
| West North Central | 426,646 | 349,038 | 34,599 | 345,838 | 1,782 | 457,411 | 371,890 | 36,670 |
| Delaware | 1,335 | 1,228 | 83 | 1,220 | 0 | 1,335 | 1,228 | 83 |
| Maryland | 5,847 | 4,259 | 485 | 5,020 | 12 | 6,505 | 3/ 4,986 | 1,212 |
| District of Columbia | 265 | 9 | 0 | 2 | 0 | 265 | 9 | 0 |
| Virginia | 15,782 | 13,309 | 550 | 18,819 | 334 | 15,782 | 3/ 13,346 | 3/ 550 |
| West Virginia | 2,026 | 2,307 | 20 | 2,980 | 44 | 2,065 | 2,307 | 20 |
| North Carolina | 14,341 | 7,686 | 1,865 | 20,800 | 1,426 | 14,341 | 3/ 7,686 | 1,865 |
| South Carolina | 16,723 | 10,503 | 7,623 | 10,834 | 1,964 | 16,822 | 10,852 | 7,623 |
| Georgia | 61,016 | 30,093 | 17,793 | 30,088 | 5,097 | 62,276 | 30,428 | 17,793 |
| Florida | 10,130 | 5,988 | 66 | 5,788 | 5 | 10,212 | 6,060 | 66 |
| South Atlantic | 127,465 | 75,382 | 28,485 | 95,551 | 8,882 | 129,603 | 76,902 | 29,212 |
| Kentucky | 18,428 | 18,222 | 87 | 21,922 | 38 | 19,311 | 3/ 18,242 | 107 |
| Tennessee | 32,765 | 31,475 | 13,402 | 26,232 | 823 | 3/ 32,765 | 31,475 | 13,402 |
| Alabama | 41,690 | 30,051 | 18,683 | 27,157 | 2,536 | 42,164 | 30,515 | 19,071 |
| Mississippi | 40,959 | 34,826 | 14,909 | 20,434 | 1,407 | 41,241 | 35,002 | 14,909 |
| East South Central | 133,842 | 114,574 | 47,081 | 95,745 | 4,804 | 135,481 | 115,234 | 47,489 |
| Arkansas | 36,835 | 24,137 | 9,797 | 22,702 | 803 | 37,325 | 24,361 | 9,797 |
| Louisiana | 15,903 | 10,294 | 3,280 | 9,905 | 874 | 15,903 | 10,294 | 3,280 |
| Oklahoma | 63,605 | 47,137 | 14,845 | 50,315 | 4,261 | 63,864 | 47,464 | 14,952 |
| Texas | 310,982 | 207,755 | 108,861 | 191,288 | 54,143 | 314,975 | 208,398 | 108,861 |
| West South Central | 427,325 | 289,323 | 136,783 | 274,210 | 60,081 | 432,067 | 290,517 | 136,890 |
| Montana | 25,478 | 16,553 | 2,756 | 20,164 | 485 | 25,478 | 3/ 16,553 | 3/ 2,756 |
| Idaho | 18,130 | 16,849 | 6,346 | 16,796 | 1,785 | 19,292 | 17,336 | 6,594 |
| Wyoming | 11,369 | 12,922 | 1,834 | 15,946 | 554 | 3/ 11,369 | 12,922 | 1,834 |
| Colorado | 38,033 | 40,203 | 6,334 | 35,589 | 103 | 38,300 | 40,435 | 6,334 |
| New Mexico | 14,393 | 13,762 | 3,144 | 15,454 | 1,849 | 14,393 | 13,762 | 3,144 |
| Arizona | 17,449 | 15,753 | 3,022 | 13,357 | 123 | 17,449 | 15,753 | 3,022 |
| Utah | 15,944 | 18,181 | 4,842 | 22,200 | 6,747 | 15,944 | 18,182 | 4,842 |
| Nevada | 2,489 | 2,851 | 0 | 4,018 | 0 | 2,489 | 2,851 | 0 |
| Mountain | 143,285 | 137,074 | 28,278 | 143,524 | 11,646 | 144,714 | 137,794 | 28,526 |
| Washington | 41,900 | 23,735 | 8,035 | 23,721 | 96 | 42,169 | 23,958 | 8,190 |
| Oregon | 26,291 | 14,737 | 4,500 | 15,670 | 56 | 26,295 | 14,737 | 4,500 |
| California | 90,666 | 97,159 | 5,340 | 123,132 | 7,387 | 93,019 | 99,275 | 5,340 |
| Pacific | 158,857 | 135,631 | 17,875 | 162,523 | 7,539 | 161,483 | 137,970 | 18,030 |
| UNITED STATES | 1,722,863 | 1,314,281 | 304,685 | 1,365,761 | 97,000 | 3/ 1,769,229 | 3/ 1,346,265 | 3/ 308,465 |
| Possessions | 3 | 16 | 0 | 14 | 0 | 9,615 | 15,779 | 0 |

1/ Loans are classified according to location of bank and therefore are not strictly comparable by States with data for other lenders, which are classified according to location of security or borrower.
2/ Loans secured by agricultural commodities covered by purchase agreements of the Commodity Credit Corporation.
3/ Loans of all banks, as reported by the Comptroller, were less than loans of insured banks reported by F.D.I.C. The larger figure was used.

Compiled from reports of Federal Deposit Insurance Corporation and Comptroller of the Currency.

Table 16.- Production credit associations and private financing institutions discounting with Federal intermediate credit banks: Loans to farmers, outstanding on January 1, and July 1, 1945-46, by States 1/

| State and division | Production credit associations 2/ | | | | Private financing institutions 3/ | | | |
|---|---|---|---|---|---|---|---|---|
| | 1945 | | 1946 | | 1945 | | 1946 | |
| | January 1 | July 1 | January 1 | July 1 | January 1 | July 1 | January 1 | July 1 |
| | 1,000 dol. | 1,000 dol. | 1,000 dol. | 1,000 dol. | 1,000 dol. | 1,000 dol. | 1,000 dol. | 1,000 dol. |
| Maine | 1,220 | 2,113 | 1,079 | 2,434 | 85 | 178 | 79 | 141 |
| New Hampshire | 323 | 359 | 333 | 451 | 0 | 0 | 0 | 0 |
| Vermont | 1,749 | 1,909 | 1,872 | 2,147 | 222 | 230 | 262 | 263 |
| Massachusetts | 946 | 1,313 | 959 | 1,544 | 119 | 119 | 106 | 215 |
| Rhode Island | 312 | 366 | 238 | 282 | 0 | 0 | 0 | 0 |
| Connecticut | 1,629 | 1,453 | 1,587 | 1,712 | 33 | 9 | 16 | 0 |
| New England | 6,179 | 7,513 | 6,068 | 8,570 | 459 | 536 | 463 | 619 |
| New York | 8,730 | 11,013 | 9,327 | 13,927 | 42 | 43 | 63 | 45 |
| New Jersey | 1,284 | 2,079 | 1,336 | 2,384 | 0 | 27 | 1 | 32 |
| Pennsylvania | 4,075 | 4,637 | 4,351 | 5,758 | 0 | 0 | 0 | 0 |
| Middle Atlantic | 14,089 | 17,729 | 15,014 | 22,069 | 42 | 70 | 64 | 77 |
| Ohio | 7,283 | 8,097 | 7,430 | 9,655 | 569 | 583 | 563 | 598 |
| Indiana | 8,625 | 10,000 | 8,959 | 11,175 | 342 | 270 | 371 | 186 |
| Illinois | 10,222 | 11,110 | 10,888 | 12,157 | 785 | 537 | 701 | 756 |
| Michigan | 2,402 | 2,801 | 2,499 | 3,176 | 33 | 20 | 27 | 22 |
| Wisconsin | 5,097 | 6,008 | 5,500 | 6,436 | 857 | 850 | 861 | 940 |
| East North Central | 33,629 | 38,016 | 35,276 | 42,599 | 2,586 | 2,260 | 2,523 | 2,502 |
| Minnesota | 6,804 | 6,933 | 6,482 | 6,799 | 1,454 | 1,456 | 1,313 | 1,361 |
| Iowa | 7,816 | 6,564 | 6,663 | 5,819 | 695 | 367 | 515 | 320 |
| Missouri | 7,113 | 8,338 | 7,205 | 9,188 | 366 | 325 | 281 | 305 |
| North Dakota | 1,645 | 2,213 | 1,479 | 2,296 | 359 | 447 | 287 | 361 |
| South Dakota | 4,005 | 3,906 | 3,299 | 3,358 | 251 | 255 | 216 | 297 |
| Nebraska | 5,083 | 4,944 | 4,844 | 4,796 | 254 | 208 | 195 | 91 |
| Kansas | 3,907 | 3,744 | 3,383 | 4,185 | 305 | 195 | 283 | 225 |
| West North Central | 36,373 | 36,642 | 33,355 | 36,441 | 3,684 | 3,253 | 3,090 | 2,960 |
| Delaware | 331 | 421 | 364 | 538 | 0 | 0 | 0 | 0 |
| Maryland | 2,010 | 2,193 | 1,759 | 3,113 | 0 | 0 | 0 | 0 |
| District of Columbia | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Virginia | 2,431 | 3,364 | 2,379 | 3,956 | 23 | 23 | 0 | 22 |
| West Virginia | 896 | 1,013 | 830 | 1,090 | 0 | 0 | 0 | 417 |
| North Carolina | 2,576 | 11,789 | 3,193 | 14,041 | 0 | 242 | 0 | 300 |
| South Carolina | 1,581 | 6,220 | 1,847 | 7,198 | 0 | 33 | 0 | 39 |
| Georgia | 3,565 | 10,269 | 4,361 | 11,267 | 0 | 0 | 0 | 0 |
| Florida | 4,490 | 2,892 | 4,489 | 3,477 | 287 | 2 | 228 | 0 |
| South Atlantic | 17,880 | 38,161 | 19,222 | 45,380 | 310 | 300 | 228 | 778 |
| Kentucky | 4,464 | 4,484 | 4,502 | 5,174 | 24 | 11 | 36 | 29 |
| Tennessee | 3,037 | 3,905 | 3,248 | 4,396 | 534 | 975 | 717 | 1,105 |
| Alabama | 3,217 | 6,658 | 3,026 | 7,371 | 224 | 269 | 179 | 245 |
| Mississippi | 4,484 | 12,168 | 5,143 | 14,343 | 5,003 | 2,895 | 3,866 | 3,988 |
| East South Central | 15,202 | 27,215 | 15,919 | 31,284 | 5,785 | 4,150 | 4,798 | 5,367 |
| Arkansas | 2,409 | 6,722 | 2,879 | 8,342 | 510 | 332 | 424 | 429 |
| Louisiana | 2,343 | 7,502 | 2,787 | 8,825 | 888 | 1,218 | 364 | 1,114 |
| Oklahoma | 3,441 | 4,434 | 3,588 | 5,669 | 1,340 | 1,707 | 1,405 | 2,372 |
| Texas | 20,386 | 26,802 | 22,667 | 32,968 | 7,212 | 8,413 | 7,089 | 8,379 |
| West South Central | 28,579 | 45,460 | 31,921 | 55,804 | 9,950 | 11,670 | 9,282 | 12,894 |
| Montana | 4,539 | 7,778 | 5,026 | 8,465 | 234 | 230 | 343 | 289 |
| Idaho | 3,704 | 5,975 | 3,987 | 6,361 | 57 | 153 | 60 | 191 |
| Wyoming | 1,403 | 2,223 | 1,894 | 3,321 | 317 | 585 | 305 | 676 |
| Colorado | 4,103 | 5,973 | 4,865 | 7,107 | 565 | 563 | 708 | 866 |
| New Mexico | 1,792 | 2,176 | 1,807 | 2,642 | 459 | 914 | 492 | 931 |
| Arizona | 2,280 | 2,061 | 2,008 | 1,570 | 846 | 694 | 466 | 863 |
| Utah | 2,091 | 2,656 | 2,015 | 2,404 | 1,792 | 2,123 | 1,581 | 1,836 |
| Nevada | 762 | 1,062 | 626 | 900 | 52 | 27 | 30 | 43 |
| Mountain | 20,734 | 29,904 | 22,228 | 32,770 | 4,322 | 5,289 | 3,985 | 5,695 |
| Washington | 1,484 | 2,919 | 2,286 | 3,864 | 111 | 344 | 167 | 479 |
| Oregon | 3,825 | 5,751 | 3,975 | 7,030 | 0 | 53 | 0 | 0 |
| California | 10,332 | 13,471 | 9,524 | 14,574 | 2,717 | 1,733 | 1,887 | 2,144 |
| Pacific | 15,641 | 22,141 | 15,785 | 25,468 | 2,828 | 2,130 | 2,054 | 2,623 |
| UNITED STATES | 188,306 | 262,781 | 194,788 | 300,385 | 29,966 | 29,658 | 26,487 | 33,515 |
| Puerto Rico | 3,391 | 3,940 | 4,103 | 3,788 | 1,231 | 233 | 1,383 | 0 |

1/ Excludes loans secured by agricultural commodities covered by purchase agreements of the Commodity Credit Corporation.
2/ Includes all loans of PCA's, both discounted and not discounted with Federal intermediate credit banks.
3/ Largely livestock loan companies and agricultural credit corporations. Includes only loans from and discounts with Federal intermediate credit banks.

Farm Credit Administration.

Table 17.- Emergency crop and feed loans and Regional Agricultural Credit Corporation loans held by the Farm Credit Administration, and rural rehabilitation loans held by the Farm Security Administration, by States, on specified dates, 1945-46

| State and Division | Emergency crop and feed loans 1/ | | | Regional Agricultural Credit Corporation loans 2/ | | | Rural rehabilitation loans 3/ | | |
|---|---|---|---|---|---|---|---|---|---|
| | 1945 | 1946 | | 1945 | 1946 | | 1945 | 1946 | |
| | January 1 | January 1 | July 1 | January 1 | January 1 | July 1 | January 1 | January 1 | July 1 |
| | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars |
| Maine | 678 | 667 | 912 | 339 | 59 | 37 | 3,899 | 3,743 | 4,141 |
| New Hampshire | 38 | 36 | 50 | 45 | 37 | 17 | 1,102 | 985 | 1,006 |
| Vermont | 73 | 71 | 85 | 23 | 5 | 4 | 1,025 | 864 | 852 |
| Massachusetts | 43 | 44 | 64 | 16 | 10 | 6 | 522 | 543 | 597 |
| Rhode Island | 4/ | 4/ | 4/ | 6 | 2 | 2 | 147 | 130 | 140 |
| Connecticut | 19 | 17 | 29 | 14 | 7 | 3 | 334 | 289 | 256 |
| New England | 851 | 835 | 1,140 | 443 | 120 | 69 | 7,029 | 6,554 | 6,992 |
| New York | 215 | 199 | 284 | 335 | 174 | 134 | 5,919 | 5,888 | 6,689 |
| New Jersey | 64 | 66 | 77 | 96 | 11 | 8 | 1,503 | 1,530 | 1,909 |
| Pennsylvania | 606 | 599 | 693 | 270 | 138 | 97 | 4,931 | 4,603 | 5,252 |
| Middle Atlantic | 885 | 864 | 1,054 | 701 | 323 | 239 | 12,353 | 12,021 | 13,850 |
| Ohio | 333 | 298 | 371 | 88 | 35 | 26 | 5,807 | 5,034 | 4,934 |
| Indiana | 368 | 336 | 327 | 96 | 42 | 28 | 4,017 | 4,042 | 4,271 |
| Illinois | 269 | 252 | 303 | 39 | 15 | 11 | 7,003 | 6,475 | 6,739 |
| Michigan | 537 | 462 | 459 | 224 | 92 | 53 | 5,383 | 5,081 | 6,435 |
| Wisconsin | 1,209 | 1,064 | 977 | 287 | 96 | 43 | 6,436 | 6,255 | 7,380 |
| East North Central | 2,716 | 2,412 | 2,437 | 734 | 280 | 161 | 28,646 | 26,887 | 29,759 |
| Minnesota | 6,025 | 5,341 | 5,249 | 383 | 254 | 140 | 11,259 | 11,372 | 11,939 |
| Iowa | 400 | 362 | 404 | 172 | 67 | 40 | 7,867 | 7,724 | 8,159 |
| Missouri | 2,092 | 1,947 | 1,929 | 170 | 78 | 61 | 9,414 | 8,297 | 9,964 |
| North Dakota | 37,318 | 35,441 | 34,536 | 442 | 203 | 127 | 5,927 | 5,152 | 6,195 |
| South Dakota | 22,984 | 21,011 | 20,372 | 271 | 111 | 74 | 14,308 | 12,257 | 12,813 |
| Nebraska | 5,714 | 5,053 | 4,789 | 481 | 159 | 122 | 9,665 | 8,299 | 8,620 |
| Kansas | 7,030 | 6,127 | 5,804 | 480 | 202 | 154 | 9,056 | 7,658 | 8,714 |
| West North Central | 81,563 | 75,282 | 73,083 | 2,399 | 1,074 | 718 | 67,496 | 60,759 | 66,404 |
| Delaware | 64 | 60 | 69 | 6 | 2 | 2 | 282 | 302 | 393 |
| Maryland | 347 | 339 | 380 | 116 | 79 | 44 | 1,486 | 1,460 | 1,887 |
| District of Columbia | 0 | 0 | 0 | 0 | 0 | 0 | 12 | 17 | 17 |
| Virginia | 1,778 | 1,680 | 2,088 | 135 | 77 | 398 | 3,046 | 2,638 | 2,973 |
| West Virginia | 367 | 337 | 386 | 22 | 16 | 14 | 2,052 | 1,656 | 1,701 |
| North Carolina | 1,537 | 1,458 | 2,879 | 87 | 24 | 19 | 5,689 | 5,098 | 8,581 |
| South Carolina | 2,447 | 2,547 | 4,702 | 217 | 43 | 22 | 8,582 | 7,577 | 8,774 |
| Georgia | 2,611 | 2,567 | 3,975 | 360 | 177 | 93 | 14,869 | 13,519 | 14,735 |
| Florida | 1,533 | 1,421 | 1,415 | 133 | 72 | 43 | 5,667 | 5,135 | 5,260 |
| South Atlantic | 10,684 | 10,409 | 15,894 | 1,076 | 490 | 635 | 41,685 | 37,402 | 44,321 |
| Kentucky | 1,034 | 913 | 921 | 55 | 19 | 13 | 3,705 | 3,302 | 3,427 |
| Tennessee | 881 | 867 | 1,097 | 122 | 57 | 27 | 2,406 | 2,313 | 2,664 |
| Alabama | 1,837 | 1,820 | 2,208 | 42 | 25 | 20 | 15,441 | 13,871 | 15,205 |
| Mississippi | 1,853 | 1,902 | 2,343 | 106 | 38 | 20 | 13,061 | 12,016 | 14,183 |
| East South Central | 5,605 | 5,502 | 6,569 | 325 | 139 | 80 | 34,613 | 31,502 | 35,479 |
| Arkansas | 3,243 | 3,178 | 3,897 | 191 | 112 | 96 | 11,934 | 10,567 | 12,463 |
| Louisiana | 1,627 | 1,759 | 2,579 | 160 | 70 | 40 | 8,758 | 7,966 | 9,526 |
| Oklahoma | 2,257 | 2,125 | 2,083 | 717 | 428 | 395 | 15,616 | 15,676 | 18,402 |
| Texas | 9,272 | 8,986 | 9,617 | 731 | 349 | 197 | 25,544 | 24,852 | 28,757 |
| West South Central | 16,399 | 16,048 | 18,176 | 1,799 | 959 | 728 | 61,852 | 59,061 | 69,148 |
| Montana | 9,533 | 8,779 | 8,441 | 298 | 98 | 31 | 7,041 | 6,230 | 6,942 |
| Idaho | 577 | 511 | 515 | 235 | 107 | 70 | 4,037 | 3,740 | 4,938 |
| Wyoming | 1,294 | 1,129 | 1,109 | 232 | 97 | 44 | 6,355 | 5,651 | 6,318 |
| Colorado | 3,172 | 2,815 | 2,579 | 283 | 239 | 143 | 9,653 | 8,258 | 8,807 |
| New Mexico | 2,297 | 2,134 | 2,133 | 108 | 112 | 103 | 3,591 | 3,462 | 4,230 |
| Arizona | 212 | 184 | 202 | 1 | 1 | 1 | 1,064 | 987 | 1,043 |
| Utah | 786 | 673 | 634 | 47 | 33 | 25 | 2,872 | 2,801 | 3,077 |
| Nevada | 23 | 20 | 19 | 62 | 56 | 2 | 394 | 370 | 399 |
| Mountain | 17,894 | 16,245 | 15,632 | 1,266 | 743 | 419 | 35,007 | 31,499 | 35,754 |
| Washington | 772 | 695 | 670 | 2,734 | 1,560 | 419 | 4,923 | 4,439 | 4,747 |
| Oregon | 284 | 263 | 263 | 121 | 49 | 32 | 2,710 | 2,499 | 2,839 |
| California | 383 | 343 | 338 | 589 | 414 | 310 | 5,787 | 5,657 | 5,995 |
| Pacific | 1,439 | 1,301 | 1,271 | 3,444 | 2,023 | 761 | 13,420 | 12,595 | 13,581 |
| UNITED STATES | 5/ 138,068 | 6/ 128,901 | 6/ 135,259 | 7/ 12,195 | 6,151 | 8/ 3,820 | 302,101 | 278,280 | 315,288 |
| Possessions | 1,473 | 1,605 | 1,974 | 0 | 0 | 0 | 2,171 | 2,415 | 2,495 |

1/ Includes drought relief loans made in 1934 and 1935 and orchard rehabilitation loans made in 1942.
2/ In addition to food production loans includes special loans in the Wenatchee area of the State of Washington and a small amount outstanding in connection with old programs now in liquidation.
3/ Loans to individuals on and off projects, water-facility loans, and project-equipment loans. Includes loans from State corporation trust funds and from the Resettlement Administration, the predecessor of the Farm Security Administration.
4/ Less than $500.
5/ Includes $32,000 not allocable by States.
6/ Includes $3,000 not allocable by States.
7/ Includes $8,000 not allocable by States.
8/ Includes $10,000 not allocable by States.

Compiled from reports of Farm Credit Administration and Farm Security Administration.

Table 18 .- Commodity Credit Corporation: Loan programs from date of organization to July 1, 1946 and loans outstanding on July 1, 1946, by commodities

| Commodity program | Total loans made 1/ | | | Loans outstanding July 1, 1946 2/ | | | | |
|---|---|---|---|---|---|---|---|---|
| | Amount | Commodities pledged | | Held by Commodity Credit Corporation | Held by private lending agencies | Total | Commodities pledged | |
| | | Quantity | Unit | | | | Quantity | Unit |
| | 1,000 dollars | 1,000 units | | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 units | |
| Cotton: | | | | | | | | |
| 1933-44 | 2,248,885 | 31,019 | Bale | 25,795 | 3/ 23 | 25,818 | 259 | Bale |
| 1945 | 22,284 | 216 | do. | 0 | 6,324 | 6,324 | 64 | do. |
| Total | 2,271,169 | 31,235 | do. | 25,795 | 6,347 | 32,142 | 323 | do. |
| Corn: | | | | | | | | |
| 1933-44 | 692,344 | 1,210,594 | Bu. | 2 | 0 | 2 | 3 | Bu. |
| 1945 | 2,760 | 2,988 | do. | 179 | 222 | 401 | 435 | do. |
| Total | 695,104 | 1,213,582 | do. | 181 | 222 | 403 | 438 | do. |
| Wheat: | | | | | | | | |
| 1938-44 | 1,602,359 | 1,617,024 | do. | 228 | 0 | 228 | 3/ 137 | do. |
| 1945 | 65,966 | 49,529 | do. | 3,238 | 68 | 3,306 | 2,453 | do. |
| Total | 1,668,325 | 1,666,553 | do. | 3,466 | 68 | 3,534 | 2,590 | do |
| Tobacco: | | | | | | | | |
| 1931-44 | 29,446 | 208,657 | Lb. | 0 | 0 | 0 | 0 | Lb. |
| 1945 | 6,360 | 16,447 | do. | 0 | 5,498 | 5,498 | 14,609 | do. |
| Total | 35,806 | 225,104 | do. | 0 | 5,498 | 5,498 | 14,609 | do. |
| Barley: | | | | | | | | |
| 1940-44 | 20,775 | 43,036 | Bu. | 3 | 0 | 3 | 3/ 3 | Bu. |
| 1945 | 757 | 1,025 | do. | 88 | 2 | 90 | 122 | do. |
| Total | 21,532 | 44,061 | do. | 91 | 2 | 93 | 125 | do. |
| Dates: | | | | | | | | |
| 1937 | 61 | 1,533 | Lb. | 0 | 0 | 0 | 0 | Lb. |
| Figs: | | | | | | | | |
| 1937-39 | 260 | 14.6 | Ton | 0 | 0 | 0 | 0 | Ton |
| Flaxseed: | | | | | | | | |
| 1941-44 | 6,483 | 2,979 | Bu. | 2 | 0 | 2 | 3/ 4/ | Bu. |
| 1945 | 369 | 130 | do. | 140 | 3 | 143 | 50 | do. |
| Total | 6,852 | 3,109 | do. | 142 | 3 | 145 | 50 | do. |
| Grain sorghums: | | | | | | | | |
| 1940-44 | 7,985 | 8,803 | do. | 0 | 0 | 0 | 0 | do. |
| Hops: | | | | | | | | |
| 1938 | 1,388 | 7,077 | Lb. | 0 | 0 | 0 | 0 | Lb. |
| Peanuts: | | | | | | | | |
| 1937-44 | 40,631 | 4,024 | Ton | 0 | 0 | 0 | 0 | Ton |
| 1945 | 25,464 | 154 | do. | 1,933 | 0 | 1,933 | 13 | do. |
| Total | 66,095 | 4,178 | do. | 1,933 | 0 | 1,933 | 13 | do. |
| Peanut equipment and warehouse loans: | | | | | | | | |
| 1942-45 | 2,977 | - | - | 369 | 0 | 369 | - | - |
| Pecans: | | | | | | | | |
| 1938 | 372 | 3,705 | Lb. | 0 | 0 | 0 | 0 | Lb. |
| Prunes: | | | | | | | | |
| 1937-39 | 8,137 | 170.0 | Ton | 0 | 0 | 0 | 0 | Ton |
| Raisins: | | | | | | | | |
| 1937-40 | 2,072 | 237.3 | do. | 0 | 0 | 0 | 0 | do. |
| Rye: | | | | | | | | |
| 1939-44 | 6,711 | 13,628 | Bu. | 0 | 0 | 0 | 0 | Bu. |
| Soybeans: | | | | | | | | |
| 1941-44 | 6,322 | 4,128 | do. | 0 | 0 | 0 | 0 | do. |
| 1945 | 67 | 32 | do. | 14 | 19 | 33 | 15 | do. |
| Total | 6,389 | 4,160 | do. | 14 | 19 | 33 | 15 | do. |
| Wool and mohair: | | | | | | | | |
| 1938-39 | 16,830 | 93,978 | Lb. | 0 | 0 | 0 | 0 | Lb. |
| Naval stores: | | | | | | | | |
| 1934-43 turpentine | 11,663 | 621 | Drum | 0 | 0 | 0 | 0 | Drum |
| 1934-43 rosin | 33,597 | 2,385 | do. | 123 | 0 | 123 | 3/ 6 | do. |
| Butter: | | | | | | | | |
| 1938-40 | 32,156 | 127,166 | Lb. | 0 | 0 | 0 | 0 | Lb. |
| Misc. seeds: | | | | | | | | |
| 1943-44 | 2,290 | - | do. | 0 | 0 | 0 | 0 | do. |
| 1945 | 382 | - | do. | 16 | 0 | 16 | - | do. |
| Total | 2,672 | - | do. | 16 | 0 | 16 | - | do. |
| Dry beans: | | | | | | | | |
| 1943 | 2,544 | 455 | Cwt. | 0 | 0 | 0 | 0 | Cwt. |
| Dry peas: | | | | | | | | |
| 1943-44 | 390 | 95 | do. | 0 | 0 | 0 | 0 | do. |
| Potatoes: | | | | | | | | |
| 1943-44 | 14,494 | 10,389 | do. | 34 | 0 | 34 | 33 | do. |
| 1945 | 44,483 | 39,618 | do. | 3,122 | 81 | 3,203 | 3,897 | do. |
| Total | 58,977 | 50,007 | do. | 3,156 | 81 | 3,237 | 3,930 | do. |
| Oats: | | | | | | | | |
| 1945 | 1,264 | 2,903 | Bu. | 131 | 24 | 155 | 356 | Bu. |
| Other: | | | | | | | | |
| 1942-43 | 5/ 7,374 | - | - | 194 | 0 | 194 | - | - |
| Grand total | 4,975,708 | | | 35,611 | 12,264 | 47,875 | | |

1/ Includes loans made directly by Commodity Credit Corporation and guaranteed loans made by banks and other lending agencies. Renewals and extensions of loans previously made are excluded. These are face amounts only; advances for storage, handling and transportation are excluded.
2/ Book values of outstanding loans held by the Corporation represent face amounts. With the exception of loans on tobacco, loans held by private lending agencies are face amounts only. Accrued charges are excluded.
3/ Loans in process of liquidation.
4/ Less than $500.
5/ Includes American-Egyptian cottonseed, 1943; fiber flax; foreign purchase; hemp seed harvesting equipment, 1942; linseed oil, 1942; olive oil, 1942-43; Raisin Producers Association; and war hemp.

Commodity Credit Corporation.

Table 19.- Commodity Credit Corporation: Loans made on selected commodities, by States, year ended June 30, 1946 1/

| State and division | Cotton | Corn | Wheat | Peanuts | Potatoes | Other | Total |
|---|---|---|---|---|---|---|---|
| | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars |
| Maine | 0 | 0 | 0 | 0 | 15,567 | 0 | 15,567 |
| New Hampshire | 0 | 0 | 0 | 0 | 94 | 0 | 94 |
| Vermont | 0 | 0 | 0 | 0 | 16 | 0 | 16 |
| Massachusetts | 0 | 0 | 0 | 0 | 256 | 0 | 256 |
| Rhode Island | 0 | 0 | 0 | 0 | 148 | 0 | 148 |
| Connecticut | 0 | 0 | 0 | 0 | 249 | 0 | 249 |
| New England | 0 | 0 | 0 | 0 | 16,330 | 0 | 16,330 |
| New York | 0 | 0 | 8 | 0 | 318 | 0 | 326 |
| New Jersey | 0 | 0 | 18 | 0 | 14 | 0 | 32 |
| Pennsylvania | 0 | 0 | 112 | 0 | 291 | 0 | 403 |
| Middle Atlantic | 0 | 0 | 138 | 0 | 623 | 0 | 761 |
| Ohio | 0 | 7 | 625 | 0 | 32 | 4 | 668 |
| Indiana | 0 | 10 | 11 | 0 | 70 | 4 | 95 |
| Illinois | 0 | 32 | 14 | 0 | 0 | 20 | 66 |
| Michigan | 0 | 0 | 227 | 0 | 1,130 | 4 | 1,361 |
| Wisconsin | 0 | 0 | 0 | 0 | 556 | 1 | 557 |
| East North Central | 0 | 49 | 877 | 0 | 1,788 | 33 | 2,747 |
| Minnesota | 0 | 3 | 857 | 0 | 6,470 | 357 | 7,687 |
| Iowa | 0 | 1,200 | 54 | 0 | 156 | 82 | 1,492 |
| Missouri | 86 | 43 | 3 | 0 | 0 | 5 | 137 |
| North Dakota | 0 | 8 | 10,130 | 0 | 9,851 | 519 | 20,508 |
| South Dakota | 0 | 200 | 4,979 | 0 | 1,122 | 1,006 | 7,307 |
| Nebraska | 0 | 1,205 | 2,849 | 0 | 1,045 | 115 | 5,214 |
| Kansas | 0 | 22 | 4,840 | 0 | 0 | 7 | 4,869 |
| West North Central | 86 | 2,681 | 23,712 | 0 | 18,644 | 2,091 | 47,214 |
| Delaware | 0 | 0 | 243 | 0 | 0 | 1 | 244 |
| Maryland | 0 | 0 | 391 | 0 | 0 | 0 | 391 |
| Dist. of Columbia | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Virginia | 0 | 0 | 39 | 0 | 0 | 2 | 41 |
| West Virginia | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| North Carolina | 832 | 0 | 1 | 0 | 0 | 186 | 1,019 |
| South Carolina | 1,146 | 0 | 0 | 0 | 0 | 11 | 1,157 |
| Georgia | 2,414 | 0 | 0 | 15,130 | 0 | 181 | 2/ 17,775 |
| Florida | 11 | 0 | 0 | 3,844 | 0 | 0 | 3,855 |
| South Atlantic | 4,403 | 0 | 674 | 19,024 | 0 | 381 | 24,482 |
| Kentucky | 0 | 30 | 19 | 0 | 0 | 5,303 | 5,352 |
| Tennessee | 343 | 0 | 110 | 0 | 0 | 839 | 1,292 |
| Alabama | 972 | 0 | 0 | 1,329 | 0 | 0 | 2,301 |
| Mississippi | 2,361 | 0 | 0 | 0 | 0 | 0 | 2,361 |
| East South Central | 3,676 | 30 | 129 | 1,329 | 0 | 6,142 | 11,306 |
| Arkansas | 1,535 | 0 | 0 | 0 | 0 | 40 | 1,575 |
| Louisiana | 1,132 | 0 | 0 | 0 | 0 | 0 | 1,132 |
| Oklahoma | 800 | 0 | 322 | 20 | 0 | 3 | 1,145 |
| Texas | 9,850 | 0 | 345 | 4,610 | 0 | 9 | 14,814 |
| West South Central | 13,317 | 0 | 667 | 4,630 | 0 | 52 | 18,666 |
| Montana | 0 | 0 | 3,254 | 0 | 176 | 114 | 3,544 |
| Idaho | 0 | 0 | 7,673 | 0 | 3,151 | 34 | 10,858 |
| Wyoming | 0 | 0 | 478 | 0 | 524 | 29 | 1,031 |
| Colorado | 0 | 0 | 949 | 0 | 1,950 | 61 | 2,960 |
| New Mexico | 249 | 0 | 21 | 0 | 0 | 0 | 270 |
| Arizona | 510 | 0 | 0 | 481 | 0 | 16 | 1,007 |
| Utah | 0 | 0 | 651 | 0 | 38 | 25 | 714 |
| Nevada | 0 | 0 | 0 | 0 | 58 | 0 | 58 |
| Mountain | 759 | 0 | 13,026 | 481 | 5,897 | 279 | 20,442 |
| Washington | 0 | 0 | 16,607 | 0 | 156 | 13 | 16,776 |
| Oregon | 0 | 0 | 9,773 | 0 | 723 | 238 | 2/ 10,734 |
| California | 43 | 0 | 363 | 0 | 294 | 58 | 758 |
| Pacific | 43 | 0 | 26,743 | 0 | 1,173 | 309 | 28,258 |
| Unallocated | 0 | 0 | 0 | 0 | 27 | 45 | 72 |
| UNITED STATES | 22,284 | 2,760 | 65,966 | 25,464 | 44,482 | 9,332 | 2/ 170,288 |

1/ Includes loans made directly by the Commodity Credit Corporation and guaranteed loans made by other lending agencies.
2/ Includes $44,000 and $119,000 to cooperatives in Georgia and Oregon, respectively.

Commodity Credit Corporation.

Table 20.- Loans to farmers' cooperative organizations held by selected lending agencies, United States, 1929-46

| Beginning of year or month | Agencies supervised by Farm Credit Administration: Federal intermediate credit banks | Banks for cooperatives | Agricultural Marketing Act revolving fund | Rural Electrification Administration | Farm Security Administration 1/ | Commodity Credit Corporation |
|---|---|---|---|---|---|---|
| | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars |
| 1929 | 36,174 | | | | | |
| 1930 | 26,073 | | 14,510 | | | |
| 1931 | 64,377 | | 136,698 | | | |
| 1932 | 45,177 | | 156,280 | | | |
| 1933 | 9,866 | | 158,885 | | | |
| 1934 | 15,211 | 18,697 | 157,752 | | | 0 |
| 1935 | 33,969 | 27,851 | 54,863 | | 0 | 0 |
| 1936 | 2,731 | 50,013 | 44,433 | 10 | 1,515 | 0 |
| 1937 | 1,641 | 69,647 | 53,754 | 2,456 | 2,603 | 7,532 |
| 1938 | 1,813 | 87,633 | 30,982 | 30,015 | 3,732 | 9,676 |
| 1939 | 920 | 87,496 | 23,723 | 79,350 | 8,412 | 49,499 |
| 1940 | 1,835 | 76,252 | 20,547 | 169,122 | 11,550 | 26,845 |
| 1941 | 1,490 | 74,741 | 16,461 | 232,086 | 15,125 | 27,931 |
| 1942 | 2,152 | 113,444 | 16,914 | 304,807 | 25,388 | 14,369 |
| 1943 | 2,000 | 144,644 | 12,551 | 2/ 327,738 | 34,195 | 10,325 |
| 1944 | 2,000 | 235,174 | 7,351 | 2/ 330,944 | 29,805 | 3,655 |
| 1945: | | | | | | |
| Jan. | 700 | 212,835 | 3,067 | 2/ 345,281 | 25,059 | 2/ 1,552 |
| Apr. | 1,055 | 207,646 | 2,354 | 3/ | 23,639 | 3/ |
| July | 844 | 134,860 | 2,033 | 2/ 360,568 | 21,871 | 2/ 810 |
| Oct. | 349 | 127,334 | 2,143 | 3/ | 17,770 | 3/ |
| 1946: | | | | | | |
| Jan. | 2,042 | 157,545 | 2,693 | 390,744 | 16,925 | 737 |
| Apr. | 2,862 | 138,327 | 2,688 | 3/ | 15,610 | 3/ |
| July | 1,184 | 114,550 | 2,687 | 434,874 | 14,240 | 683 |

1/ Includes loans from State corporation trust funds and beginning 1942 includes loans to defense relocation corporations. 2/ Revised. 3/ Data unavailable.

Table 21.- Rural Electrification Administration: Loans made during 1944 and 1945, and loans outstanding January 1, 1945 and 1946

| State and division | Loans made during year 1/ | | | | Loans outstanding | | | |
|---|---|---|---|---|---|---|---|---|
| | 1944 | | 1945 | | January 1, 1945 | | January 1, 1946 | |
| | To cooperatives 2/ | To others 3/ | To cooperatives 2/ | To others 3/ | To cooperatives 2/ | To others 3/ | To cooperatives 2/ | To others 3/ |
| | 1,000 dol. | 1,000 dol. | 1,000 dol. | 1,000 dol. | 1,000 dol. | 1,000 dol. | 1,000 dol. | 1,000 dol. |
| Maine | 8 | 0 | 98 | 0 | 519 | 0 | 612 | 0 |
| New Hampshire | 3 | 0 | 32 | 0 | 1,421 | 0 | 1,449 | 0 |
| Vermont | 49 | 0 | 236 | 0 | 1,054 | 0 | 1,258 | 0 |
| Massachusetts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Rhode Island | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Connecticut | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| New England | 60 | 0 | 366 | 0 | 2,994 | 0 | 3,319 | 0 |
| New York | 980 | 0 | 500 | 0 | 1,340 | 0 | 1,824 | 0 |
| New Jersey | 8 | 0 | 27 | 0 | 454 | 0 | 468 | 0 |
| Pennsylvania | 391 | 0 | 792 | 0 | 9,633 | 0 | 10,214 | 0 |
| Middle Atlantic | 1,379 | 0 | 1,319 | 0 | 11,427 | 0 | 12,506 | 0 |
| Ohio | 2,620 | 0 | 1,394 | 0 | 18,019 | 0 | 18,830 | 0 |
| Indiana | 353 | 0 | 838 | 0 | 16,693 | 0 | 16,556 | 0 |
| Illinois | 1,107 | 0 | 2,049 | 0 | 18,230 | 0 | 19,599 | 0 |
| Michigan | 339 | 0 | 554 | 0 | 12,137 | 0 | 12,285 | 0 |
| Wisconsin | 1,500 | 0 | 2,157 | 1 | 16,733 | 76 | 18,491 | 73 |
| East North Central | 5,919 | 0 | 6,992 | 1 | 81,812 | 76 | 85,761 | 73 |
| Minnesota | 2,157 | 0 | 2,752 | 0 | 23,741 | 0 | 25,700 | 0 |
| Iowa | 2,860 | 0 | 4,599 | 0 | 23,058 | 65 | 27,136 | 56 |
| Missouri | 2,241 | 0 | 6,129 | 0 | 19,335 | 82 | 25,101 | 77 |
| North Dakota | 115 | 0 | 667 | 0 | 3,265 | 0 | 3,857 | 0 |
| South Dakota | 46 | 0 | 323 | 0 | 1,908 | 0 | 2,199 | 0 |
| Nebraska | 45 | 790 | 70 | 1,447 | 40 | 10,744 | 110 | 11,860 |
| Kansas | 494 | 0 | 1,403 | 0 | 7,902 | 0 | 9,158 | 0 |
| West North Central | 7,958 | 790 | 15,943 | 1,447 | 79,249 | 10,891 | 93,261 | 11,993 |
| Delaware | 17 | 0 | 62 | 0 | 871 | 0 | 904 | 0 |
| Maryland | 18 | 0 | 975 | 0 | 1,515 | 0 | 2,470 | 0 |
| Virginia | 368 | 0 | 1,444 | 0 | 8,822 | 139 | 10,109 | 130 |
| West Virginia | 15 | 0 | 32 | 0 | 679 | 0 | 711 | 0 |
| North Carolina | 444 | 1 | 1,844 | 0 | 9,799 | 254 | 11,469 | 220 |
| South Carolina | 202 | 0 | 927 | 0 | 7,342 | 240 | 8,197 | 230 |
| Georgia | 267 | 0 | 952 | 0 | 14,119 | 61 | 14,544 | 56 |
| Florida | 83 | 0 | 680 | 0 | 3,202 | 95 | 3,856 | 87 |
| South Atlantic | 1,414 | 1 | 6,916 | 0 | 46,349 | 789 | 52,260 | 723 |
| Kentucky | 336 | 0 | 1,022 | 0 | 10,864 | 0 | 11,598 | 0 |
| Tennessee | 109 | 0 | 1,290 | 0 | 9,486 | 618 | 10,418 | 581 |
| Alabama | 2,154 | 0 | 831 | 0 | 8,992 | 206 | 9,563 | 195 |
| Mississippi | 475 | 0 | 1,843 | 0 | 9,789 | 0 | 11,399 | 0 |
| East South Central | 3,074 | 0 | 4,986 | 0 | 39,131 | 824 | 42,978 | 776 |
| Arkansas | 442 | 0 | 1,895 | 0 | 7,984 | 0 | 9,709 | 0 |
| Louisiana | 1,027 | 0 | 2,176 | 0 | 8,712 | 0 | 10,283 | 0 |
| Oklahoma | 1,453 | 0 | 3,205 | 0 | 10,417 | 121 | 13,423 | 111 |
| Texas | 2,202 | 29 | 6,713 | 31 | 29,741 | 507 | 35,754 | 525 |
| West South Central | 5,124 | 29 | 13,989 | 31 | 56,854 | 628 | 69,169 | 636 |
| Montana | 69 | 0 | 461 | 0 | 2,813 | 0 | 3,197 | 0 |
| Idaho | 54 | 0 | 112 | 0 | 3,139 | 0 | 3,165 | 0 |
| Wyoming | 138 | 0 | 288 | 0 | 2,222 | 69 | 2,445 | 66 |
| Colorado | 1,500 | 0 | 1,237 | 0 | 7,361 | 29 | 8,406 | 28 |
| New Mexico | 251 | 0 | 594 | 5 | 1,135 | 200 | 1,708 | 198 |
| Arizona | 41 | 0 | 162 | 2 | 839 | 122 | 998 | 100 |
| Utah | 85 | 0 | 202 | 0 | 920 | 0 | 1,107 | 0 |
| Nevada | 0 | 21 | 0 | 7 | 0 | 162 | 0 | 133 |
| Mountain | 2,138 | 21 | 3,056 | 14 | 18,429 | 582 | 21,026 | 525 |
| Washington | 172 | 12 | 384 | 351 | 4,683 | 798 | 4,992 | 1,141 |
| Oregon | 349 | 0 | 1,139 | 0 | 3,158 | 0 | 4,213 | 0 |
| California | 20 | 0 | 74 | 0 | 1,195 | 555 | 1,259 | 516 |
| Pacific | 541 | 12 | 1,597 | 351 | 9,036 | 1,353 | 10,464 | 1,657 |
| UNITED STATES | 27,607 | 853 | 55,164 | 1,844 | 345,281 | 15,143 | 390,744 | 16,383 |
| Possessions 4/ | 34 | 3 | 4 | 0 | 407 | 209 | 393 | 209 |

1/ Gross advances before deducting returns of unused loan funds, totaling $620,000 and $40,000 in 1944 and 1945 respectively, by cooperatives, and $2,000 and $1,000, respectively, by other borrowers.
2/ Of the individuals served by these cooperatives approximately 80 percent in 1944 and 77 percent in 1945 were farmers.
3/ Principally loans to public bodies and to private utilities for rural electrification.
4/ Alaska and Virgin Islands.

Table 22.- Taxes levied on farm property and automotive taxes paid by farmers, United States, average 1909-13, annual 1924-45

| Year | Property taxes levied 1/ | | Automotive taxes paid | | |
|---|---|---|---|---|---|
| | Farm real estate | Farm personal property 2/ | Licenses and permits 3/ | Motor fuel taxes 4/ | |
| | | | | State | Federal |
| | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars |
| 1909-13 average | 184,315 | 28,437 | 5/ 1,195 | | |
| 1924 .......... | 511,370 | 62,938 | 36,084 | 11,612 | |
| 1925 .......... | 516,790 | 62,622 | 41,127 | 21,896 | |
| 1926 .......... | 525,564 | 63,786 | 45,446 | 28,209 | |
| 1927 .......... | 544,690 | 65,417 | 47,626 | 37,294 | |
| 1928 .......... | 555,635 | 69,594 | 50,310 | 42,680 | |
| 1929 .......... | 567,493 | 73,323 | 52,808 | 55,626 | |
| 1930 .......... | 566,956 | 71,082 | 55,092 | 63,108 | |
| 1931 .......... | 526,454 | 54,678 | 53,217 | 61,873 | |
| 1932 .......... | 461,670 | 42,779 | 49,831 | 56,895 | 8,953 |
| 1933 .......... | 399,168 | 34,377 | 44,713 | 56,687 | 22,827 |
| 1934 .......... | 384,842 | 35,146 | 44,815 | 60,586 | 18,821 |
| 1935 .......... | 393,878 | 36,758 | 46,948 | 65,745 | 20,604 |
| 1936 .......... | 396,277 | 39,886 | 50,830 | 70,570 | 21,438 |
| 1937 .......... | 406,967 | 41,203 | 56,181 | 74,959 | 23,199 |
| 1938 .......... | 401,998 | 42,108 | 55,702 | 76,057 | 24,222 |
| 1939 .......... | 408,565 | 42,949 | 56,472 | 77,771 | 26,105 |
| 1940 .......... | 401,954 | 43,885 | 59,072 | 79,846 | 35,984 |
| 1941 .......... | 402,791 | 48,819 | 64,194 | 83,551 | 45,876 |
| 1942 .......... | 393,885 | 57,113 | 97,705 | 76,996 | 45,099 |
| 1943 .......... | 391,153 | 6/ 67,000 | 83,630 | 69,366 | 43,212 |
| 1944 .......... | 405,023 | 6/ 70,000 | 6/ 81,000 | 6/ 69,000 | 6/ 44,000 |
| 1945 .......... | 447,024 | 6/ 78,000 | 6/ 82,000 | 6/ 74,000 | 6/ 47,000 |

1/ Levies rather than payments are shown for property taxes because data for payments are not available for many States. For the country as a whole levies and payments probably are about equal over long periods.
2/ Includes taxes levied on motor vehicles under general property tax laws.
3/ Beginning 1942 includes Federal use tax.
4/ State taxation of motor fuel began in 1919, Federal in 1932.
5/ 1910-14 average.
6/ Preliminary.

Table 23.- Tax levies on farm real estate: Amount per acre, index numbers of amount per acre, and amount per $100 of value, United States, 1890-1945

| Year | Taxes per acre | | Taxes per $100 of value 2/ | Year | Taxes per acre | | Taxes per $100 of value 2/ |
|---|---|---|---|---|---|---|---|
| | Amount | Index 1/ (1909-13 = 100) | | | Amount | Index 1/ (1909-13 = 100) | |
| | Dollars | Percent | Dollars | | Dollars | Percent | Dollars |
| 1890 | 0.13 | 63 | | 1918 | 0.33 | 160 | 0.57 |
| 1891 | .13 | 63 | | 1919 | .41 | 200 | .59 |
| 1892 | .13 | 64 | | 1920 | .51 | 244 | .79 |
| 1893 | .13 | 65 | | 1921 | .54 | 259 | .94 |
| 1894 | .13 | 64 | | 1922 | .54 | 261 | .96 |
| 1895 | .14 | 65 | | 1923 | .55 | 266 | 1.01 |
| 1896 | .13 | 63 | | 1924 | .55 | 265 | 1.03 |
| 1897 | .13 | 64 | | 1925 | .56 | 270 | 1.07 |
| 1898 | .13 | 63 | | 1926 | .56 | 271 | 1.12 |
| 1899 | .13 | 63 | | 1927 | .57 | 277 | 1.15 |
| 1900 | .13 | 62 | | 1928 | .58 | 279 | 1.18 |
| 1901 | .13 | 64 | | 1929 | .58 | 281 | 1.19 |
| 1902 | .14 | 65 | | 1930 | .57 | 277 | 1.30 |
| 1903 | .15 | 71 | | 1931 | .53 | 254 | 1.44 |
| 1904 | .15 | 72 | | 1932 | .46 | 220 | 1.54 |
| 1905 | .15 | 74 | | 1933 | .39 | 188 | 1.28 |
| 1906 | .15 | 75 | | 1934 | .37 | 178 | 1.19 |
| 1907 | .16 | 79 | | 1935 | .37 | 180 | 1.15 |
| 1908 | .17 | 84 | | 1936 | .38 | 181 | 1.16 |
| 1909 | .19 | 90 | 0.48 | 1937 | .39 | 186 | 1.19 |
| 1910 | .19 | 91 | .47 | 1938 | .38 | 183 | 1.19 |
| 1911 | .21 | 99 | .50 | 1939 | .39 | 186 | 1.23 |
| 1912 | .21 | 103 | .49 | 1940 | .38 | 183 | 1.18 |
| 1913 | .24 | 117 | .55 | 1941 | .38 | 183 | 1.10 |
| 1914 | .24 | 118 | .56 | 1942 | .37 | 175 | .98 |
| 1915 | .26 | 128 | .57 | 1943 | .37 | 178 | .86 |
| 1916 | .28 | 136 | .57 | 1944 | .38 | 184 | .80 |
| 1917 | .31 | 151 | .58 | 1945 | .42 | 203 | .79 |

1/ Index numbers computed before rounding tax-per-acre data to nearest cent.
2/ Derived from the tax-per-acre figures in column 1 and value-per-acre figures based on Census reports and the farm real estate value index of the Bureau of Agricultural Economics. Data unavailable prior to 1909.

Table 24.- Tax levies on farm real estate: Amount per acre, index numbers of amount per acre, and amount per $100 of value, by States, 1910, 1920, 1930, 1940, and 1942-45

Table 24.- Tax levies on farm real estate: Amount per acre, index numbers of amount per acre, and amount per $100 of value, by States, 1910, 1920, 1930, 1940, and 1942-45

| State and division | Taxes per acre: Amount | | | | | | | | Taxes per acre: Index numbers 1/ (1909-13 = 100) | | | | | | | | Taxes per $100 of value 2/ | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1910 | 1920 | 1930 | 1940 | 1942 | 1943 | 1944 | 1945 | 1910 | 1920 | 1930 | 1940 | 1942 | 1943 | 1944 | 1945 | 1910 | 1920 | 1930 | 1940 | 1942 | 1943 | 1944 | 1945 |
| | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. | | | | | | | | | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. |
| Maine | 0.27 | 0.55 | 0.81 | 0.84 | 0.85 | 0.85 | 0.90 | 1.01 | 97 | 194 | 288 | 298 | 300 | 301 | 318 | 356 | 1.06 | 1.54 | 1.97 | 2.87 | 2.79 | 2.47 | 2.45 | 2.63 |
| New Hampshire | .29 | .57 | .78 | .87 | .82 | .79 | .83 | .89 | 92 | 182 | 248 | 277 | 262 | 250 | 263 | 282 | 1.08 | 1.64 | 2.00 | 2.51 | 2.26 | 2.03 | 1.95 | 1.99 |
| Vermont | .20 | .45 | .58 | .53 | .54 | .55 | .58 | .59 | 95 | 219 | 281 | 258 | 259 | 265 | 278 | 284 | .82 | 1.17 | 1.59 | 1.75 | 1.64 | 1.55 | 1.50 | 1.37 |
| Massachusetts | .78 | 1.55 | 2.16 | 2.70 | 2.68 | 2.58 | 2.60 | 2.73 | 96 | 191 | 268 | 335 | 332 | 319 | 322 | 337 | 1.13 | 1.59 | 1.65 | 2.48 | 2.41 | 2.13 | 2.03 | 2.00 |
| Rhode Island | .44 | .81 | 1.35 | 1.68 | 1.74 | 1.73 | 1.74 | 1.77 | 98 | 178 | 298 | 369 | 382 | 379 | 382 | 389 | .70 | .99 | 1.09 | 1.40 | 1.38 | 1.26 | 1.22 | 1.13 |
| Connecticut | .46 | 1.08 | 1.63 | 1.85 | 1.84 | 1.85 | 1.94 | 2.19 | 96 | 223 | 337 | 383 | 382 | 383 | 402 | 453 | .70 | 1.08 | 1.07 | 1.33 | 1.26 | 1.18 | 1.19 | 1.22 |
| New England | .36 | .74 | 1.03 | 1.16 | 1.15 | 1.14 | 1.18 | 1.27 | 96 | 198 | 277 | 311 | 309 | 305 | 316 | 341 | .97 | 1.38 | 1.56 | 2.08 | 1.97 | 1.80 | 1.75 | 1.75 |
| New York | .38 | .87 | 1.04 | 1.09 | 1.06 | 1.03 | 1.02 | 1.06 | 93 | 211 | 252 | 264 | 258 | 250 | 248 | 257 | .70 | 1.33 | 1.53 | 1.97 | 1.69 | 1.59 | 1.45 | 1.37 |
| New Jersey | 3/ | 1.50 | 2.74 | 2.21 | 2.17 | 2.15 | 2.18 | 2.26 | 3/ | 208 | 381 | 308 | 302 | 299 | 303 | 314 | 3/ | 1.29 | 1.70 | 1.76 | 1.53 | 1.46 | 1.39 | 1.32 |
| Pennsylvania | .47 | .82 | 1.30 | .99 | 1.00 | .99 | 1.01 | 1.05 | 96 | 168 | 267 | 202 | 205 | 202 | 207 | 216 | .83 | 1.14 | 1.77 | 1.66 | 1.47 | 1.35 | 1.25 | 1.23 |
| Middle Atlantic | .44 | .89 | 1.24 | 1.11 | 1.10 | 1.07 | 1.08 | 1.12 | 94 | 191 | 268 | 240 | 237 | 232 | 234 | 243 | .77 | 1.25 | 1.65 | 1.82 | 1.58 | 1.46 | 1.35 | 1.30 |
| Ohio | .45 | 1.07 | 1.36 | .68 | .69 | .70 | .72 | .73 | 97 | 229 | 292 | 147 | 148 | 151 | 155 | 156 | .64 | 1.11 | 1.90 | .99 | .83 | .74 | .70 | .61 |
| Indiana | .48 | 1.26 | 1.47 | .75 | .68 | .70 | .69 | .76 | 92 | 241 | 282 | 144 | 130 | 135 | 132 | 145 | .62 | 1.08 | 2.29 | 1.15 | .82 | .73 | .66 | .62 |
| Illinois | .35 | .99 | 1.16 | .97 | .97 | .97 | 1.01 | 1.06 | 98 | 249 | 291 | 244 | 243 | 244 | 254 | 267 | .31 | .55 | 1.21 | 1.17 | .98 | .85 | .83 | .78 |
| Michigan | .37 | 1.23 | 1.34 | .46 | .46 | .47 | .49 | .54 | 86 | 284 | 310 | 107 | 105 | 110 | 114 | 125 | .76 | 1.62 | 2.09 | .89 | .72 | .63 | .61 | .58 |
| Wisconsin | .29 | 1.04 | 1.05 | .78 | .78 | .78 | .84 | .96 | 84 | 306 | 309 | 229 | 229 | 229 | 246 | 281 | .50 | 1.04 | 1.50 | 1.54 | 1.36 | 1.22 | 1.23 | 1.29 |
| East North Central | .39 | 1.10 | 1.26 | .76 | .74 | .76 | .78 | .84 | 90 | 257 | 293 | 177 | 173 | 176 | 182 | 196 | .50 | .91 | 1.67 | 1.16 | .93 | .84 | .80 | .76 |
| Minnesota | .20 | .76 | .87 | .66 | .67 | .67 | .72 | .83 | 88 | 329 | 375 | 283 | 289 | 287 | 311 | 356 | .42 | .70 | 1.45 | 1.48 | 1.30 | 1.18 | 1.21 | 1.25 |
| Iowa | .33 | 1.10 | 1.24 | .99 | .96 | .99 | 1.03 | 1.18 | 83 | 272 | 308 | 245 | 237 | 246 | 254 | 292 | .33 | .52 | 1.15 | 1.25 | 1.03 | .92 | .90 | .92 |
| Missouri | .13 | .28 | .45 | .32 | .32 | .32 | .32 | .33 | 97 | 207 | 328 | 230 | 232 | 232 | 233 | 241 | .25 | .34 | .98 | .98 | .81 | .72 | .65 | .60 |
| North Dakota | .13 | .44 | .38 | .22 | .17 | .20 | .19 | .24 | 93 | 309 | 265 | 156 | 122 | 138 | 135 | 170 | .44 | 1.11 | 1.72 | 1.70 | 1.18 | 1.15 | 1.00 | 1.15 |
| South Dakota | .12 | .45 | .44 | .22 | .20 | .19 | .21 | .24 | 91 | 352 | 349 | 172 | 155 | 153 | 162 | 188 | .30 | .66 | 1.42 | 1.74 | 1.35 | 1.06 | 1.08 | 1.12 |
| Nebraska | .15 | .42 | .44 | .30 | .29 | .30 | .32 | .37 | 92 | 261 | 277 | 189 | 184 | 187 | 202 | 229 | .31 | .52 | .85 | 1.34 | 1.10 | .94 | .91 | .94 |
| Kansas | .17 | .42 | .55 | .36 | .36 | .33 | .32 | .40 | 91 | 224 | 292 | 193 | 194 | 176 | 172 | 215 | .41 | .68 | 1.24 | 1.21 | 1.03 | .82 | .69 | .80 |
| West North Central | .18 | .54 | .61 | .42 | .41 | .41 | .42 | .49 | 89 | 269 | 304 | 210 | 204 | 205 | 212 | 245 | .35 | .60 | 1.20 | 1.31 | 1.09 | .95 | .89 | .94 |
| Delaware | .24 | .68 | .50 | .31 | .33 | .33 | .33 | .33 | 95 | 275 | 201 | 126 | 134 | 133 | 131 | 134 | .46 | 1.04 | .69 | .48 | .44 | .43 | .39 | .35 |
| Maryland | .40 | .72 | .93 | .80 | .77 | .76 | .79 | .81 | 107 | 191 | 245 | 211 | 205 | 202 | 208 | 215 | .82 | .99 | 1.19 | 1.17 | .95 | .85 | .82 | .75 |
| Virginia | .10 | .23 | .34 | .26 | .27 | .26 | .27 | .27 | 88 | 210 | 305 | 240 | 242 | 239 | 245 | 246 | .36 | .43 | .77 | .62 | .56 | .49 | .43 | .37 |
| West Virginia | .11 | .31 | .46 | .16 | .16 | .16 | .16 | .16 | 97 | 271 | 395 | 139 | 138 | 137 | 136 | 136 | .41 | .77 | 1.29 | .51 | .46 | .43 | .42 | .37 |
| North Carolina | .06 | .34 | .59 | .37 | .38 | .38 | .38 | .40 | 82 | 424 | 748 | 463 | 475 | 482 | 486 | 502 | .28 | .71 | 1.48 | .96 | .84 | .70 | .60 | .53 |
| South Carolina | .13 | .35 | .40 | .30 | .28 | .25 | .25 | .24 | 100 | 272 | 310 | 230 | 220 | 193 | 190 | 182 | .51 | .66 | 1.27 | .93 | .74 | .54 | .46 | .41 |
| Georgia | .10 | .28 | .30 | .14 | .15 | .15 | .16 | .18 | 94 | 254 | 272 | 129 | 136 | 139 | 146 | 166 | .55 | .79 | 1.28 | .65 | .59 | .51 | .49 | .50 |
| Florida | .09 | .46 | .70 | .51 | .49 | .49 | .52 | .62 | 84 | 424 | 652 | 476 | 453 | 457 | 486 | 575 | .38 | .86 | .88 | 1.31 | 1.12 | 1.05 | .96 | 1.04 |
| South Atlantic | .11 | .33 | .45 | .29 | .29 | .29 | .30 | .32 | 94 | 274 | 375 | 244 | 244 | 241 | 247 | 261 | .44 | .70 | 1.14 | .83 | .72 | .62 | .57 | .53 |
| Kentucky | .15 | .38 | .43 | .32 | .35 | .35 | .37 | .37 | 98 | 252 | 284 | 212 | 230 | 234 | 246 | 249 | .51 | .73 | 1.09 | .83 | .70 | .63 | .58 | .50 |
| Tennessee | .14 | .40 | .47 | .38 | .40 | .40 | .41 | .43 | 97 | 285 | 339 | 277 | 286 | 289 | 294 | 308 | .56 | .89 | 1.24 | 1.01 | .86 | .75 | .70 | .61 |
| Alabama | .08 | .19 | .25 | .20 | .21 | .21 | .22 | .22 | 93 | 212 | 286 | 230 | 237 | 240 | 244 | 248 | .56 | .82 | .98 | .91 | .86 | .75 | .70 | .60 |
| Mississippi | .13 | .50 | .64 | .42 | .42 | .41 | .41 | .45 | 93 | 361 | 469 | 307 | 304 | 298 | 299 | 328 | .70 | 1.69 | 2.19 | 1.61 | 1.34 | 1.20 | 1.06 | .98 |
| East South Central | .12 | .36 | .45 | .33 | .34 | .34 | .35 | .37 | 96 | 281 | 347 | 257 | 266 | 266 | 272 | 285 | .55 | .95 | 1.35 | 1.06 | .90 | .79 | .72 | .65 |
| Arkansas | .13 | .33 | .32 | .29 | .30 | .31 | .32 | .32 | 91 | 227 | 217 | 196 | 205 | 214 | 220 | 216 | .72 | .91 | 1.12 | 1.09 | .92 | .82 | .72 | .67 |
| Louisiana | .14 | .55 | .57 | .32 | .34 | .33 | .32 | .33 | 92 | 366 | 384 | 211 | 226 | 221 | 215 | 220 | .59 | 1.41 | 1.42 | .90 | .80 | .73 | .68 | .65 |
| Oklahoma | .14 | .38 | .47 | .24 | .23 | .23 | .23 | .25 | 74 | 204 | 248 | 127 | 124 | 120 | 122 | 130 | .54 | .92 | 1.41 | .98 | .81 | .75 | .69 | .63 |
| Texas | .05 | .16 | .23 | .14 | .14 | .13 | .14 | .15 | 83 | 274 | 409 | 237 | 248 | 232 | 238 | 266 | .29 | .55 | .90 | .75 | .67 | .55 | .54 | .52 |
| West South Central | .08 | .24 | .30 | .18 | .18 | .17 | .18 | .19 | 82 | 252 | 319 | 186 | 192 | 184 | 188 | 203 | .42 | .74 | 1.07 | .85 | .74 | .63 | .60 | .57 |
| Montana | .06 | .14 | .14 | .11 | .09 | .09 | .09 | .11 | 91 | 223 | 217 | 167 | 142 | 142 | 140 | 164 | .32 | .75 | 1.22 | 1.42 | .95 | .83 | .74 | .79 |
| Idaho | .17 | .63 | .64 | .45 | .38 | .41 | .43 | .52 | 72 | 267 | 273 | 192 | 162 | 176 | 181 | 220 | .37 | .98 | 1.45 | 1.36 | .93 | .86 | .80 | .89 |
| Wyoming | .03 | .09 | .09 | .06 | .05 | .06 | .06 | .06 | 104 | 277 | 275 | 172 | 161 | 168 | 171 | 179 | .26 | .55 | 1.04 | 1.01 | .68 | .70 | .62 | .54 |
| Colorado | .10 | .27 | .28 | .19 | .18 | .18 | .18 | .20 | 95 | 245 | 256 | 173 | 162 | 160 | 163 | 177 | .34 | .81 | 1.32 | 1.50 | 1.15 | .96 | .83 | .80 |
| New Mexico | .02 | .05 | .07 | .04 | .05 | .04 | .04 | .04 | 71 | 242 | 333 | 202 | 215 | 200 | 198 | 202 | .21 | .64 | 1.04 | .80 | .87 | .60 | .53 | .47 |
| Arizona | .06 | .18 | .20 | .07 | .06 | .06 | .05 | .08 | 89 | 293 | 315 | 115 | 100 | 91 | 86 | 120 | .16 | .71 | 1.21 | 1.15 | .87 | .75 | .55 | .80 |
| Utah | .13 | .47 | .52 | .31 | .28 | .28 | .28 | .35 | 89 | 311 | 346 | 203 | 187 | 184 | 186 | 232 | .38 | 1.19 | 1.36 | 1.46 | 1.18 | 1.05 | .98 | 1.16 |
| Nevada | .06 | .21 | .15 | .15 | .16 | .15 | .17 | .17 | 89 | 340 | 238 | 238 | 247 | 234 | 264 | 272 | .38 | .84 | .96 | 1.18 | 1.14 | .96 | 1.03 | .94 |
| Mountain | .07 | .20 | .19 | .12 | .11 | .11 | .11 | .13 | 88 | 244 | 237 | 152 | 137 | 137 | 138 | 160 | .32 | .84 | 1.25 | 1.26 | .97 | .83 | .74 | .77 |
| Washington | .25 | .67 | .71 | .32 | .30 | .32 | .31 | .43 | 90 | 240 | 252 | 115 | 107 | 114 | 112 | 151 | .50 | 1.01 | 1.28 | .82 | .64 | .57 | .50 | .60 |
| Oregon | .13 | .37 | .40 | .33 | .27 | .22 | .24 | .27 | 92 | 251 | 275 | 228 | 185 | 148 | 166 | 186 | .33 | .73 | 1.07 | 1.23 | .86 | .60 | .58 | .60 |
| California | .32 | .93 | 1.14 | .83 | .80 | .77 | .88 | 1.00 | 90 | 262 | 321 | 233 | 226 | 217 | 249 | 282 | .57 | .86 | 1.04 | 1.16 | .97 | .78 | .78 | .78 |
| Pacific | .26 | .73 | .84 | .57 | .53 | .51 | .57 | .66 | 90 | 253 | 290 | 196 | 184 | 175 | 195 | 227 | .51 | .87 | 1.08 | 1.11 | .89 | .72 | .71 | .72 |
| UNITED STATES | .19 | .51 | .57 | .38 | .37 | .37 | .38 | .42 | 91 | 244 | 277 | 183 | 179 | 178 | 184 | 203 | .47 | .79 | 1.30 | 1.18 | .98 | .86 | .80 | .79 |

1/ Index numbers computed before rounding tax-per-acre data to nearest cent.
2/ Derived from the tax-per-acre figures and value-per-acre figures based on Census reports and the farm real estate value indexes of the Bureau of Agricultural Economics.
3/ Not available.

Table 25.- Farmers' mutual fire insurance, United States, 1914-44 1/

| Year | Companies 2/ | Amount of insurance in force at end of year | Cost per $100 of insurance | | | Surplus and reserves at end of year 3/ |
|---|---|---|---|---|---|---|
| | | | Losses | Expenses | Total | |
| | Number | 1,000 dollars | Cents | Cents | Cents | 1,000 dollars |
| 1914 | 1,947 | 5,264,119 | 20.4 | 6.0 | 26.4 | - |
| 1915 | 1,879 | 5,366,760 | 17.5 | 6.0 | 23.5 | - |
| 1916 | 1,883 | 5,635,968 | 19.6 | 5.9 | 25.5 | - |
| 1917 | 1,829 | 5,876,853 | 18.2 | 6.4 | 24.6 | - |
| 1918 | 1,866 | 6,391,522 | 18.8 | 6.3 | 25.1 | - |
| 1919 | 1,922 | 6,937,523 | 17.3 | 7.8 | 25.1 | - |
| 1920 | 1,944 | 7,865,988 | 17.4 | 8.4 | 25.8 | - |
| 1921 | 1,951 | 8,409,683 | 19.4 | 7.8 | 27.2 | - |
| 1922 | 1,918 | 8,769,948 | 20.9 | 5.8 | 26.7 | - |
| 1923 | 1,907 | 9,057,938 | 19.8 | 6.6 | 26.4 | - |
| 1924 | 1,929 | 9,487,029 | 20.4 | 6.5 | 26.9 | - |
| 1925 | 1,839 | 9,477,139 | 21.1 | 6.7 | 27.8 | - |
| 1926 | 1,911 | 9,988,580 | 19.4 | 6.9 | 26.3 | - |
| 1927 | 1,889 | 10,345,463 | 19.0 | 6.3 | 25.3 | - |
| 1928 | 1,884 | 10,781,212 | 20.5 | 6.6 | 27.1 | - |
| 1929 | 1,876 | 11,118,510 | 21.8 | 6.6 | 28.4 | - |
| 1930 | 1,886 | 11,382,104 | 24.8 | 6.8 | 31.6 | - |
| 1931 | 1,863 | 11,292,339 | 24.1 | 6.9 | 31.0 | - |
| 1932 | 1,847 | 10,974,082 | 24.9 | 7.1 | 32.0 | - |
| 1933 | 1,826 | 10,466,384 | 21.2 | 7.3 | 28.5 | - |
| 1934 | 1,852 | 10,571,508 | 19.7 | 7.2 | 26.9 | - |
| 1935 | 1,941 | 11,083,300 | 15.7 | 7.5 | 23.2 | 33,656 |
| 1936 | 1,936 | 11,339,510 | 20.7 | 7.4 | 28.0 | 35,083 |
| 1937 | 1,924 | 11,569,476 | 16.5 | 7.6 | 24.1 | 37,479 |
| 1938 | 1,914 | 11,868,569 | 18.0 | 8.0 | 26.0 | 40,105 |
| 1939 | 1,904 | 12,143,881 | 18.4 | 8.2 | 26.6 | 41,819 |
| 1940 | 1,898 | 12,294,287 | 17.1 | 8.1 | 25.2 | 45,474 |
| 1941 | 1,885 | 12,518,913 | 16.2 | 8.4 | 24.6 | 50,119 |
| 1942 | 1,877 | 12,982,390 | 14.6 | 8.1 | 22.7 | 55,797 |
| 1943 | 1,878 | 13,777,555 | 16.2 | 7.7 | 23.9 | 61,413 |
| 1944 4/ | 1,883 | 14,700,945 | 16.0 | 7.9 | 23.9 | 68,149 |

1/ For 1914-33 includes companies with more than 65 percent of their insurance on farm property. For later years includes companies with more than 50 percent of their insurance on farm property. About 88 percent of the total insurance is on farm property.
2/ Number of companies for which data were obtained; perhaps not entirely complete for any year.
3/ Excess of assets over liabilities. Most of the farmers' mutuals are assessment companies and as such are not required to set up unearned premium reserves. Data not compiled prior to 1935.
4/ Preliminary.

Data for 1914-33 and after 1941 from Bureau of Agricultural Economics; 1934-41 from Farm Credit Administration. Compiled from published State reports, supplemented by data supplied by State insurance officials, officers of farmers' mutuals, and others.

Table 26.- Farmers' mutual fire insurance, by States, 1944 1/

| State and division | Companies | Amount of insurance in force at end of year | Cost per $100 of insurance | | | Surplus and reserves at end of year 2/ |
|---|---|---|---|---|---|---|
| | | | Losses | Expenses | Total | |
| | Number | 1,000 dollars | Cents | Cents | Cents | 1,000 dollars |
| Maine | 38 | 90,235 | 52.1 | 25.2 | 77.3 | 278 |
| New Hampshire | 14 | 32,936 | 30.4 | 25.6 | 56.0 | 276 |
| Vermont | 4 | 33,867 | 40.5 | 8.4 | 48.9 | 248 |
| Massachusetts 3/ | 0 | 0 | 0 | 0 | 0 | 0 |
| Rhode Island | 2 | 5,250 | 28.1 | 13.7 | 41.8 | 156 |
| Connecticut | 5 | 89,844 | 18.4 | 18.3 | 36.7 | 3,704 |
| New England | 63 | 312,132 | 36.2 | 18.0 | 54.2 | 4,662 |
| New York | 128 | 656,731 | 23.7 | 8.5 | 32.2 | 3,562 |
| New Jersey | 11 | 165,821 | 17.9 | 16.7 | 34.6 | 1,758 |
| Pennsylvania | 164 | 1,487,913 | 13.8 | 8.0 | 21.8 | 7,810 |
| Middle Atlantic | 303 | 2,310,465 | 17.0 | 8.8 | 25.8 | 13,130 |
| Ohio | 96 | 1,119,937 | 17.7 | 3.9 | 21.6 | 2,238 |
| Indiana | 73 | 857,799 | 19.3 | 7.5 | 26.8 | 2,792 |
| Illinois | 205 | 908,634 | 13.4 | 5.9 | 19.3 | 2,487 |
| Michigan | 60 | 890,711 | 23.4 | 9.1 | 32.5 | 2,714 |
| Wisconsin | 194 | 1,450,168 | 13.9 | 4.3 | 18.2 | 3,193 |
| East North Central | 628 | 5,227,249 | 17.1 | 5.8 | 22.9 | 13,424 |
| Minnesota | 156 | 1,195,781 | 10.7 | 4.0 | 14.7 | 3,122 |
| Iowa | 150 | 1,557,028 | 13.8 | 4.8 | 18.6 | 4,925 |
| Missouri | 144 | 369,073 | 20.3 | 7.2 | 27.5 | 1,405 |
| North Dakota | 34 | 148,980 | 12.8 | 7.8 | 20.6 | 1,043 |
| South Dakota | 42 | 356,210 | 13.5 | 7.3 | 20.8 | 1,069 |
| Nebraska | 45 | 581,824 | 7.2 | 6.9 | 14.1 | 2,280 |
| Kansas | 17 | 851,076 | 13.8 | 14.4 | 28.2 | 3,010 |
| West North Central | 588 | 5,053,072 | 12.8 | 6.9 | 19.7 | 17,754 |
| Delaware | 4 | 21,837 | 18.6 | 15.5 | 34.1 | 537 |
| Maryland | 14 | 406,252 | 16.1 | 14.0 | 30.1 | 3,920 |
| Virginia | 39 | 179,195 | 16.9 | 13.2 | 30.1 | 2,200 |
| West Virginia | 14 | 84,093 | 9.5 | 12.6 | 22.1 | 990 |
| North Carolina | 28 | 64,406 | 17.7 | 8.2 | 25.9 | 846 |
| South Carolina | 9 | 11,403 | 33.3 | 22.4 | 55.7 | 297 |
| Georgia | 20 | 31,106 | 25.8 | 15.3 | 41.1 | 549 |
| Florida 3/ | 0 | 0 | 0 | 0 | 0 | 0 |
| South Atlantic | 128 | 798,292 | 16.4 | 13.4 | 29.8 | 9,339 |
| Kentucky | 17 | 86,468 | 27.2 | 15.5 | 42.7 | 1,445 |
| Tennessee | 30 | 53,802 | 28.4 | 12.6 | 41.0 | 221 |
| Alabama | 3 | 4,242 | 21.8 | 25.8 | 47.6 | 45 |
| Mississippi 3/ | 0 | 0 | 0 | 0 | 0 | 0 |
| East South Central | 50 | 144,512 | 27.5 | 14.7 | 42.2 | 1,711 |
| Arkansas | 15 | 40,348 | 28.6 | 29.8 | 58.4 | 277 |
| Louisiana 3/ | 0 | 0 | 0 | 0 | 0 | 0 |
| Oklahoma | 6 | 81,540 | 37.8 | 25.1 | 62.9 | 886 |
| Texas | 40 | 127,640 | 18.4 | 10.1 | 28.5 | 913 |
| West South Central | 61 | 249,528 | 25.6 | 17.5 | 43.1 | 2,076 |
| Montana | 12 | 26,663 | 11.6 | 8.6 | 20.2 | 184 |
| Idaho | 10 | 74,542 | 15.7 | 8.5 | 24.2 | 298 |
| Wyoming | 3 | 4,171 | 12.6 | 15.7 | 28.3 | 35 |
| Colorado | 6 | 75,177 | 11.0 | 10.4 | 21.4 | 355 |
| New Mexico 3/ | 0 | 0 | 0 | 0 | 0 | 0 |
| Arizona 3/ | 0 | 0 | 0 | 0 | 0 | 0 |
| Utah | 1 | 19,735 | 16.5 | 16.6 | 33.1 | 222 |
| Nevada 3/ | 0 | 0 | 0 | 0 | 0 | 0 |
| Mountain | 32 | 200,288 | 13.5 | 10.2 | 23.7 | 1,094 |
| Washington | 5 | 86,191 | 14.1 | 11.0 | 25.1 | 1,260 |
| Oregon | 5 | 42,129 | 16.6 | 13.2 | 29.8 | 494 |
| California | 20 | 270,187 | 12.9 | 17.6 | 30.5 | 3,205 |
| Pacific | 30 | 398,507 | 13.6 | 15.6 | 29.2 | 4,959 |
| UNITED STATES | 1,883 | 14,700,945 | 16.0 | 7.9 | 23.9 | 68,149 |

1/ Preliminary.
2/ Excess of assets over liabilities. Most of the farmers' mutuals are assessment companies and as such are not required to set up unearned premium reserves.
3/ No mutual fire insurance companies with more than 50 percent of their insurance on farm property.

Compiled from published State reports, supplemented by data supplied by State insurance officials, officers of farmers' mutuals, and others.

Table 27.- Cotton crop insurance, by States, crop of 1945, and United States, crops of 1942-43 and 1945 1/

| States | Insurance coverage 2/ | | | Amount of premiums 3/ | Indemnities paid | |
|---|---|---|---|---|---|---|
| | Interests | Acreage | Production | | Number | Amount 3/ |
| | Number | Acres | Pounds | Pounds | Number | Pounds |
| Alabama | 11,063 | 123,513 | 14,802,569 | 662,814 | 1,544 | 605,998 |
| Arizona | 643 | 75,590 | 21,383,015 | 716,867 | 215 | 2,634,470 |
| Arkansas | 5,723 | 118,099 | 17,898,733 | 1,151,776 | 2,621 | 4,101,355 |
| California | 50 | 2,881 | 1,279,757 | 36,704 | 9 | 43,247 |
| Florida | 215 | 981 | 88,873 | 6,351 | 38 | 3,[illegible]39 |
| Georgia | 6,605 | 92,071 | 14,472,796 | 750,881 | 1,807 | 1,029,198 |
| Illinois | 310 | 2,649 | 478,768 | 22,912 | 239 | 171,070 |
| Kentucky | 80 | 1,286 | 275,510 | 20,481 | 49 | 64,057 |
| Louisiana | 3,016 | 81,937 | 15,951,080 | 755,793 | 1,596 | 3,006,584 |
| Mississippi | 6,957 | 118,547 | 22,521,670 | 868,550 | 1,150 | 1,459,123 |
| Missouri | 5,500 | 114,345 | 18,223,237 | 622,408 | 3,410 | 7,599,231 |
| New Mexico | 1,858 | 59,475 | 20,000,394 | 969,856 | 767 | 2,793,066 |
| North Carolina | 4,328 | 31,286 | 5,918,284 | 231,517 | 498 | 176,046 |
| Oklahoma | 14,846 | 302,991 | 24,163,407 | 2,164,556 | 8,509 | 7,371,141 |
| South Carolina | 8,067 | 113,535 | 18,031,209 | 887,520 | 863 | 679,622 |
| Tennessee | 1,255 | 18,023 | 3,996,696 | 290,497 | 532 | 1,016,585 |
| Texas | 43,029 | 1,791,283 | 183,553,051 | 12,187,432 | 23,553 | 42,233,832 |
| Virginia | 247 | 1,413 | 194,596 | 9,822 | 24 | 7,082 |
| United States | | | | | | |
| 1945 1/ | 113,792 | 3,049,905 | 383,233,645 | 22,356,737 | 47,424 | 74,994,896 |
| 1943 | 164,998 | 2,690,279 | 386,690,312 | 30,744,370 | 40,632 | 56,800,979 |
| 1942 | 169,072 | 2,816,462 | 407,611,601 | 31,435,750 | 47,744 | 52,536,269 |
| Total | - | - | 1,177,535,558 | 84,536,857 | - | 184,332,144 |

1/ Only American Upland cotton was insured in 1945.
2/ Some duplication in acreage and production insured occurs when two "interests" on the same acreage are covered, as when landlord's and tenant's interests on the same farm are insured. Except for this duplication, "interests" insured refers to farms. Although the Corporation was also liable for the loss of seed in case of claim, production insured includes only the insurance on the lint cotton and excludes the lint cotton equivalent of the seed. 1945 acreage and production insured are estimated.
3/ Premiums and indemnities as shown include an increase in poundage of lint cotton amounting to 20 percent in the case of American Upland cotton and 15 percent in the case of American-Egyptian cotton, to cover the loss of seed. Transactions are usually made in the cash equivalent.

Federal Crop Insurance Corporation.

Table 28.- Wheat crop insurance, by States, crop of 1945, and United States, crops of 1939-43 and 1945 1/

| States | Insurance coverage 2/ | | | Amount of premiums 3/ | Indemnities paid | |
|---|---|---|---|---|---|---|
| | Interests | Acreage | Production | | Number | Amount 3/ |
| | Number | Acres | Bushels | Bushels | Number | Bushels |
| Arizona | 22 | 748 | 5,125 | 504 | 10 | 952 |
| Colorado | 159 | 2,435 | 33,590 | 3,432 | 35 | 2,778 |
| Idaho | 347 | 19,237 | 260,734 | 16,527 | 44 | 10,333 |
| Iowa | 26 | 494 | 4,724 | 697 | 3 | 276 |
| Minnesota | 4,785 | 143,580 | 1,139,976 | 125,100 | 561 | 37,060 |
| Montana | 1,372 | 113,779 | 899,444 | 182,340 | 590 | 197,914 |
| Nevada | 32 | 392 | 7,987 | 905 | 7 | 460 |
| North Dakota | 7,690 | 560,731 | 3,417,289 | 455,165 | 309 | 50,493 |
| Oregon | 58 | 3,872 | 75,612 | 4,046 | 25 | 12,939 |
| South Dakota | 4,295 | 220,175 | 1,206,518 | 268,282 | 423 | 88,809 |
| Utah | 118 | 1,656 | 26,273 | 1,893 | 7 | 387 |
| Washington | 392 | 29,144 | 941,967 | 22,352 | 163 | 65,339 |
| Wisconsin | 128 | 818 | 9,333 | 1,121 | 11 | 726 |
| Wyoming | 35 | 1,576 | 13,632 | 2,806 | 12 | 2,892 |
| United States | | | | | | |
| 1945 1/ | 19,459 | 1,098,637 | 8,042,204 | 1,085,170 | 2,200 | 471,358 |
| 1943 | 357,733 | 8,148,800 | 75,264,000 | 8,035,124 | 133,076 | 13,209,955 |
| 1942 | 400,043 | 9,631,265 | 88,063,150 | 8,769,715 | 108,368 | 10,574,927 |
| 1941 | 371,390 | 11,734,263 | 104,306,380 | 12,643,051 | 130,774 | 18,857,243 |
| 1940 | 360,596 | 12,754,834 | 108,284,574 | 13,796,798 | 112,762 | 22,898,147 |
| 1939 | 165,775 | 7,010,390 | 60,826,075 | 6,670,315 | 55,932 | 10,163,899 |
| Total | - | - | 444,786,383 | 51,000,173 | - | 76,175,529 |

1/ Only spring wheat was insured in 1945.
2/ Some duplication in acreage and production insured occurs when two "interests" on the same acreage are covered, as when landlord's and tenant's interests on the same farm are insured. Except for this duplication, "interests" insured refers to farms. 1945 acreage and production insured are estimated.
3/ Premiums and indemnities are determined in bushels of wheat, although transactions are usually made in the cash equivalent.

Federal Crop Insurance Corporation.

Table 29 .- Flax crop insurance, by States, crop of 1945

| States | Insurance coverage 1/ | | | Amount of premiums 2/ | Indemnities paid | |
|---|---|---|---|---|---|---|
| | Interests | Acreage | Production | | Number | Amount 2/ |
| | Number | Acres | Bushels | Bushels | Number | Bushels |
| Iowa | 1,481 | 20,591 | 143,483 | 23,869 | 113 | 3,017 |
| Kansas | 2,439 | 37,903 | 153,726 | 22,494 | 1,296 | 39,800 |
| Michigan | 247 | 3,075 | 19,924 | 2,081 | 159 | 5,359 |
| Minnesota | 21,013 | 496,015 | 2,626,431 | 321,606 | 4,221 | 180,039 |
| Missouri | 315 | 5,747 | 21,807 | 4,631 | 188 | 5,273 |
| Montana | 301 | 16,043 | 42,144 | 10,760 | 212 | 18,451 |
| North Dakota | 3,797 | 131,008 | 443,037 | 60,557 | 534 | 26,094 |
| South Dakota | 2,148 | 57,581 | 211,937 | 40,640 | 116 | 4,756 |
| Wisconsin | 59 | 1,179 | 8,088 | 823 | 22 | 2,481 |
| Total | 31,800 | 769,142 | 3,670,577 | 487,461 | 6,861 | 285,270 |

1/ Some duplication in acreage and production insured occurs when two "interests" on the same acreage are covered, as when landlord's and tenant's interests on the same farm are insured. Except for this duplication, "interests" insured refers to farms. 1945 acreage and production insured are estimated.
2/ Premiums and indemnities are determined in bushels of flax, although transactions are usually made in the cash equivalent.

Federal Crop Insurance Corporation.

Table 30.- Comparative consolidated balance sheet of farms, United States, January 1, 1940-46 1/

| Item | 1940 | 1941 | 1942 | 1943 | 1944 | 1945 | 1946 | Net change 1940-46 | | Net change 1945-46 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Million dollars | Million dollars | Million dollars | Million dollars | Million dollars | Million dollars | Million dollars | Percent | Million dollars | Percent | Million dollars |
| **ASSET ITEMS** | | | | | | | | | | | |
| Physical assets: | | | | | | | | | | | |
| Real estate 2/ .......... | 33,642 | 34,026 | 36,611 | 39,963 | 45,592 | 50,295 | 3/ 56,584 | +68 | +22,942 | +13 | +6,289 |
| Non-real-estate: | | | | | | | | | | | |
| Livestock ............. | 5,132 | 5,320 | 7,042 | 9,541 | 4/ 9,538 | 4/ 8,839 | 9,635 | +88 | +4,503 | +9 | +796 |
| Machinery and motor vehicles ............ | 4/ 3,141 | 4/ 3,323 | 4/ 3,962 | 4,180 | 4/ 4,374 | 4/ 4,762 | 4,805 | +53 | +1,664 | +1 | +43 |
| Crops, stored on and off farms 5/ ........ | 2,645 | 2,944 | 3,798 | 5,110 | 6,079 | 4/ 6,542 | 6,124 | +132 | +3,479 | -6 | -418 |
| Household equipment ... | 4,275 | 4,299 | 4,386 | 4,265 | 4,276 | 4,232 | 4,324 | +1 | +49 | +2 | +92 |
| Financial assets: | | | | | | | | | | | |
| Deposits and currency ... | 4/ 3,908 | 4/ 4,334 | 4/ 5,297 | 4/ 7,014 | 4/ 9,141 | 4/ 11,266 | 13,991 | +258 | +10,083 | +24 | +2,725 |
| United States savings bonds ................. | 4/ 249 | 4/ 357 | 4/ 522 | 4/ 1,186 | 4/ 2,430 | 4/ 3,965 | 5,028 | +1,919 | +4,779 | +27 | +1,063 |
| Other (in co-ops) ....... | 4/ 712 | 4/ 738 | 4/ 779 | 4/ 831 | 4/ 893 | 4/ 968 | 1,031 | +45 | +319 | +7 | +63 |
| Total ................. | 4/ 53,704 | 4/ 55,341 | 4/ 62,397 | 4/ 72,090 | 4/ 82,323 | 4/ 90,869 | 101,522 | +89 | +47,818 | +12 | +10,653 |
| **LIABILITY ITEMS** | | | | | | | | | | | |
| Real estate mortgages ..... | 6,586 | 6,534 | 6,484 | 6,117 | 5,635 | 5,271 | 5,081 | -23 | -1,505 | -4 | -190 |
| Non-real-estate debt: | | | | | | | | | | | |
| To principal institutions: | | | | | | | | | | | |
| Excluding loans held or guaranteed by Commodity Credit Corporation ......... | 4/ 1,538 | 4/ 1,673 | 4/ 1,890 | 4/ 1,667 | 4/ 1,683 | 4/ 1,620 | 1,672 | +9 | +134 | +3 | +52 |
| Loans held or guaranteed by Commodity Credit Corporation 6/ | 443 | 604 | 488 | 4/ 902 | 4/ 717 | 4/ 982 | 414 | -7 | -29 | -58 | -568 |
| To others 7/ ........... | 1,455 | 1,675 | 1,748 | 1,464 | 1,180 | 1,132 | 1,170 | -20 | -285 | +3 | +38 |
| Total ................ | 10,022 | 10,486 | 10,610 | 10,150 | 9,215 | 9,005 | 8,337 | -17 | -1,685 | -7 | -668 |
| **CAPITAL ITEMS** | | | | | | | | | | | |
| Proprietors' equities ..... | 4/ 43,682 | 4/ 44,855 | 4/ 51,787 | 4/ 61,940 | 4/ 73,108 | 4/ 81,864 | 93,185 | +113 | +49,503 | +14 | +11,321 |
| Total, liabilities and equities ........ | 4/ 53,704 | 4/ 55,341 | 4/ 62,397 | 4/ 72,090 | 4/ 82,323 | 4/ 90,869 | 101,522 | +89 | +47,818 | +12 | +10,653 |

1/ The margin of error of the estimates varies with the items. 2/ As of April 1, subject to adjustment when 1945 Census data are available. 3/ Preliminary. 4/ Revised. 5/ Includes all crops held on farms and crops held in bonded warehouses as security for Commodity Credit Corporation loans. The latter, which on Jan. 1, 1946 totaled 252 million dollars, formerly were reported under the heading "Warehouse receipts." 6/ Beginning 1943 the guaranteed portions of these figures are reported by private lending agencies, not CCC. 7/ Tentative. In-

1/ Preliminary. 4/ Revised. 5/ Includes all crops held on farms and crops held in bonded warehouses as security for Commodity Credit Corporation loans. The latter, which on Jan. 1, 1946 totaled 252 million dollars, formerly were reported under the heading "Warehouse receipts." 6/ Beginning 1943 the guaranteed portions of these figures are reported by private lending agencies, not CCC. 7/ Tentative. In-



Table 31.- Comparative consolidated income statement for farms, United States, 1940-45 1/

| | Item | 1940 | | 1941 | | 1942 | | 1943 | | 1944 | | 1945 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Million dollars | | Million dollars | | Million dollars | | Million dollars | | Million dollars | | Million dollars | |
| | HOW NET INCOME WAS OBTAINED | | | | | | | | | | | | |
| | Gross income from agriculture: | | | | | | | | | | | | |
| 1. | Cash receipts from farm marketings | 8,343 | | 11,157 | | 15,316 | | 2/ 19,342 | | 2/ 20,238 | | 20,781 | |
| 2. | Value of products retained on farms for home consumption | 1,232 | | 1,399 | | 1,684 | | 2/ 2,016 | | 2/ 2,031 | | 2,143 | |
| 3. | Rental value of farm homes | 624 | | 658 | | 702 | | 2/ 755 | | 2/ 820 | | 889 | |
| 4. | Total | | 10,199 | | 13,214 | | 17,702 | | 2/ 22,113 | | 2/ 23,089 | | 23,813 |
| | Nonlabor production costs: | | | | | | | | | | | | |
| 5. | Feed bought | 842 | | 1,114 | | 1,531 | | 2,133 | | 2,078 | | 2,009 | |
| 6. | Livestock bought, except horses and mules | 456 | | 567 | | 756 | | 719 | | 2/ 646 | | 834 | |
| 7. | Fertilizer and lime bought | 261 | | 292 | | 352 | | 423 | | 476 | | 508 | |
| 8. | Vehicle operation | 568 | | 631 | | 714 | | 782 | | 831 | | 870 | |
| 9. | Depreciation and maintenance | 1,095 | | 1,235 | | 1,360 | | 2/ 1,454 | | 2/ 1,621 | | 1,722 | |
| 10. | Interest on non-real-estate debt 3/ | 212 | | 228 | | 206 | | 186 | | 177 | | 179 | |
| 11. | Other operating expenses | 646 | | 683 | | 863 | | 2/ 1,002 | | 2/ 1,076 | | 1,065 | |
| 12. | Taxes on real estate and tangible personalty | 446 | | 452 | | 451 | | 458 | | 2/ 475 | | 525 | |
| 13. | Total | | -4,526 | | -5,202 | | -6,233 | | 2/ -7,157 | | 2/ -7,380 | | -7,712 |
| 14. | Adjustment for changes in inventory 4/ | | +82 | | +299 | | +843 | | 2/ +264 | | 2/ -408 | | -41 |
| 15. | Total net income from agriculture | | 5,755 | | 8,311 | | 12,312 | | 2/ 15,220 | | 2/ 15,301 | | 16,060 |
| 16. | Government payments 5/ | | +766 | | +586 | | +697 | | +672 | | +804 | | +771 |
| 17. | Total net income from agriculture and Government payments | | 6,521 | | 8,897 | | 13,009 | | 2/ 15,892 | | 2/ 16,105 | | 16,831 |
| | HOW NET INCOME WAS DISTRIBUTED | | | | | | | | | | | | |
| | Return to labor: | | | | | | | | | | | | |
| 18. | Hired labor (cash and perquisites) | 1,000 | | 1,197 | | 1,566 | | 1,928 | | 2,094 | | 2,210 | |
| 19. | Farm family labor | 6/ | | 6/ | | 6/ | | 6/ | | 6/ | | 6/ | |
| 20. | Operators' labor | 6/ | | 6/ | | 6/ | | 6/ | | 6/ | | 6/ | |
| 21. | Total | | 6/ | | 6/ | | 6/ | | 6/ | | 6/ | | 6/ |
| | Net return to investment in farming: | | | | | | | | | | | | |
| | Return to capital - | | | | | | | | | | | | |
| 22. | Net rent and Government payments to landlords not living on farms 7/ | 459 | | 654 | | 961 | | 1,130 | | 1,189 | | 1,185 | |
| 23. | Farm mortgage interest | 295 | | 293 | | 285 | | 264 | | 255 | | 248 | |
| 24. | Capital return to operators | 6/ | | 6/ | | 6/ | | 6/ | | 6/ | | 6/ | |
| 25. | Total | | 6/ | | 6/ | | 6/ | | 6/ | | 6/ | | 6/ |
| | Return to management - | | | | | | | | | | | | |
| 26. | Enterprisers' profit and loss | 6/ | 6/ | 6/ | 6/ | 6/ | 6/ | 6/ | 6/ | 6/ | 6/ | 6/ | 6/ |
| 27. | Total to operators 8/ | 4,767 | | 6,753 | | 10,197 | | 2/ 12,570 | | 2/ 12,567 | | 2/ 13,188 | |
| 17. | Total net income from agriculture and Government payments | | 6,521 | | 8,897 | | 13,009 | | 2/ 15,892 | | 2/ 16,105 | | 16,831 |

1/ The margin of error of the estimates varies with the items.
2/ Revised.
3/ Includes an allowance for interest on an indeterminate amount of miscellaneous debt.
4/ Market value, in terms of prices at the end of the year, of the increase or decrease in the physical quantities of crops on farms for sale or of numbers of livestock whether or not for sale.
5/ Includes some payments that are comparable to certain items included in item 1. Thus receipts from loans made or guaranteed by CCC are included in item 1, whereas consumers' price subsidies to dairy and other farmers are included in item 16.
6/ Unavailable.
7/ After subtraction of estimated payments for taxes, mortgage interest and other expenses paid by such landlords.
8/ Reflects the adjustment for changes in inventory values and represents the difference between items 17 and the sum of items 18, 22, and 23.

Based on "Net Farm Income and Parity, 1940-45," The Farm Income Situation, B.A.E., June 1946.

Table 32.- Farm real estate: Index numbers of estimated value per acre, by States, for selected years, 1915-46 1/
(1912-14 = 100)

| State and division | 1915 | 1920 | 1925 | 1930 | 1933 | 1935 | 1940 | 1942 | 1943 | 1944 | 1945 | 1946 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Maine | 96 | 142 | 124 | 124 | 94 | 94 | 95 | 97 | 99 | 112 | 119 | 125 |
| New Hampshire | 101 | 129 | 111 | 111 | 92 | 90 | 94 | 97 | 100 | 107 | 117 | 122 |
| Vermont | 104 | 150 | 125 | 123 | 101 | 101 | 101 | 102 | 110 | 119 | 129 | 144 |
| Massachusetts | 98 | 140 | 132 | 131 | 112 | 111 | 113 | 114 | 115 | 125 | 133 | 141 |
| Rhode Island | 102 | 130 | 128 | 134 | 118 | 118 | 120 | 126 | 127 | 139 | 144 | 159 |
| Connecticut | 100 | 137 | 137 | 140 | 124 | 123 | 124 | 133 | 134 | 144 | 150 | 166 |
| New England | 99 | 140 | 127 | 127 | 105 | 104 | 106 | 109 | 112 | 122 | 130 | 140 |
| New York | 100 | 133 | 111 | 103 | 82 | 84 | 86 | 87 | 97 | 101 | 109 | 120 |
| New Jersey | 100 | 130 | 124 | 125 | 110 | 111 | 116 | 128 | 136 | 141 | 151 | 164 |
| Pennsylvania | 100 | 140 | 114 | 107 | 78 | 82 | 90 | 95 | 104 | 111 | 123 | 130 |
| Middle Atlantic | 100 | 136 | 114 | 106 | 82 | 85 | 90 | 94 | 103 | 109 | 119 | 128 |
| Ohio | 107 | 159 | 110 | 90 | 59 | 66 | 77 | 89 | 97 | 111 | 121 | 140 |
| Indiana | 102 | 161 | 102 | 80 | 53 | 61 | 74 | 88 | 98 | 112 | 124 | 145 |
| Illinois | 102 | 160 | 115 | 91 | 54 | 61 | 75 | 86 | 91 | 105 | 112 | 124 |
| Michigan | 105 | 154 | 133 | 121 | 80 | 83 | 91 | 105 | 115 | 134 | 145 | 167 |
| Wisconsin | 104 | 171 | 130 | 117 | 80 | 82 | 84 | 88 | 92 | 102 | 110 | 120 |
| East North Central | 104 | 161 | 116 | 96 | 62 | 68 | 78 | 89 | 96 | 110 | 119 | 134 |
| Minnesota | 107 | 213 | 159 | 133 | 79 | 83 | 86 | 90 | 100 | 110 | 115 | 129 |
| Iowa | 112 | 213 | 136 | 113 | 58 | 67 | 74 | 80 | 87 | 101 | 107 | 121 |
| Missouri | 102 | 167 | 112 | 92 | 55 | 58 | 59 | 66 | 74 | 82 | 91 | 102 |
| North Dakota | 103 | 145 | 109 | 95 | 66 | 67 | 52 | 55 | 58 | 70 | 76 | 83 |
| South Dakota | 101 | 181 | 115 | 93 | 55 | 54 | 41 | 42 | 47 | 57 | 62 | 68 |
| Nebraska | 101 | 179 | 123 | 113 | 69 | 72 | 58 | 59 | 64 | 77 | 86 | 96 |
| Kansas | 103 | 151 | 115 | 113 | 70 | 73 | 71 | 74 | 84 | 96 | 111 | 120 |
| West North Central | 105 | 184 | 126 | 109 | 64 | 68 | 65 | 69 | 76 | 88 | 96 | 106 |
| Delaware | 100 | 139 | 112 | 111 | 80 | 82 | 89 | 96 | 108 | 111 | 123 | 137 |
| Maryland | 104 | 166 | 131 | 123 | 90 | 91 | 100 | 111 | 124 | 136 | 147 | 165 |
| Virginia | 97 | 189 | 154 | 134 | 88 | 97 | 112 | 118 | 131 | 146 | 171 | 200 |
| West Virginia | 101 | 154 | 120 | 105 | 74 | 78 | 85 | 90 | 99 | 105 | 106 | 121 |
| North Carolina | 102 | 223 | 187 | 158 | 86 | 111 | 138 | 150 | 161 | 193 | 224 | 268 |
| South Carolina | 94 | 230 | 138 | 104 | 57 | 76 | 89 | 103 | 112 | 136 | 162 | 172 |
| Georgia | 94 | 217 | 116 | 100 | 57 | 72 | 82 | 93 | 103 | 120 | 132 | 146 |
| Florida | 97 | 178 | 172 | 172 | 121 | 126 | 133 | 140 | 150 | 161 | 185 | 204 |
| South Atlantic | 98 | 198 | 148 | 128 | 80 | 93 | 107 | 117 | 127 | 145 | 166 | 189 |
| Kentucky | 100 | 200 | 140 | 127 | 80 | 87 | 113 | 129 | 147 | 165 | 189 | 221 |
| Tennessee | 100 | 200 | 137 | 123 | 79 | 91 | 108 | 123 | 139 | 160 | 177 | 213 |
| Alabama | 98 | 177 | 154 | 143 | 88 | 110 | 122 | 129 | 139 | 160 | 180 | 208 |
| Mississippi | 97 | 218 | 136 | 122 | 73 | 90 | 106 | 122 | 133 | 145 | 165 | 196 |
| East South Central | 99 | 199 | 141 | 128 | 79 | 93 | 112 | 126 | 141 | 159 | 179 | 212 |
| Arkansas | 95 | 222 | 160 | 141 | 80 | 88 | 95 | 111 | 123 | 141 | 167 | 180 |
| Louisiana | 95 | 198 | 141 | 132 | 89 | 103 | 121 | 129 | 145 | 154 | 162 | 175 |
| Oklahoma | 95 | 166 | 131 | 127 | 76 | 86 | 93 | 101 | 111 | 120 | 131 | 156 |
| Texas | 103 | 174 | 146 | 138 | 83 | 91 | 99 | 105 | 109 | 124 | 137 | 150 |
| West South Central | 100 | 177 | 144 | 136 | 82 | 91 | 99 | 105 | 112 | 125 | 139 | 154 |
| Montana | 100 | 126 | 75 | 72 | 48 | 50 | 55 | 62 | 69 | 80 | 89 | 102 |
| Idaho | 96 | 172 | 123 | 116 | 76 | 80 | 86 | 94 | 106 | 124 | 140 | 153 |
| Wyoming | 103 | 176 | 100 | 98 | 62 | 62 | 68 | 78 | 88 | 102 | 115 | 132 |
| Colorado | 93 | 141 | 92 | 83 | 54 | 53 | 61 | 69 | 78 | 93 | 108 | 125 |
| New Mexico | 100 | 144 | 108 | 110 | 75 | 76 | 84 | 95 | 101 | 117 | 132 | 151 |
| Arizona | 97 | 165 | 121 | 123 | 90 | 91 | 95 | 102 | 110 | 127 | 145 | 158 |
| Utah | 98 | 167 | 130 | 126 | 83 | 84 | 89 | 93 | 100 | 112 | 121 | 127 |
| Nevada | 102 | 135 | 102 | 99 | 65 | 65 | 70 | 73 | 78 | 87 | 92 | 100 |
| Mountain | 98 | 151 | 105 | 102 | 69 | 70 | 76 | 84 | 92 | 107 | 120 | 134 |
| Washington | 100 | 140 | 113 | 110 | 74 | 76 | 84 | 91 | 101 | 120 | 133 | 153 |
| Oregon | 99 | 130 | 110 | 107 | 72 | 74 | 84 | 91 | 99 | 117 | 130 | 143 |
| California | 111 | 167 | 164 | 160 | 109 | 115 | 121 | 128 | 141 | 168 | 193 | 219 |
| Pacific | 107 | 156 | 146 | 142 | 96 | 101 | 108 | 115 | 126 | 150 | 171 | 194 |
| UNITED STATES | 103 | 170 | 127 | 115 | 73 | 79 | 84 | 91 | 99 | 114 | 126 | 142 |

1/ All farm lands, including improvements, as of March 1.

Table 33.- Farm real estate: Land transfers and value, United States, 1926-46

| Year | Estimated number of farms changing ownership per 1,000 farms 1/ | | | | Index of estimated value per acre 3/ (1912-14 = 100) |
|---|---|---|---|---|---|
| | Voluntary sales and trades | Forced sales and related defaults | Others 2/ | Total | |
| | Number | Number | Number | Number | Percent |
| 1926 | 29.6 | 21.6 | 10.2 | 61.4 | 124 |
| 1927 | 28.3 | 23.3 | 16.9 | 68.5 | 119 |
| 1928 | 26.3 | 22.8 | 16.9 | 66.0 | 117 |
| 1929 | 23.5 | 19.5 | 15.0 | 58.0 | 116 |
| 1930 | 23.7 | 20.8 | 17.0 | 61.5 | 115 |
| 1931 | 19.0 | 26.1 | 16.8 | 61.9 | 106 |
| 1932 | 16.2 | 41.7 | 18.8 | 76.7 | 89 |
| 1933 | 16.8 | 54.1 | 22.7 | 93.6 | 73 |
| 1934 | 17.8 | 39.1 | 21.7 | 78.6 | 76 |
| 1935 | 19.4 | 28.3 | 21.4 | 69.1 | 79 |
| 1936 | 24.8 | 26.2 | 21.9 | 72.9 | 82 |
| 1937 | 31.5 | 22.4 | 20.1 | 74.0 | 85 |
| 1938 | 30.5 | 17.4 | 17.5 | 65.4 | 85 |
| 1939 | 29.7 | 17.0 | 17.1 | 63.8 | 84 |
| 1940 | 30.2 | 15.9 | 16.9 | 63.0 | 84 |
| 1941 | 34.1 | 13.9 | 15.7 | 63.7 | 85 |
| 1942 | 41.7 | 9.3 | 15.1 | 66.1 | 91 |
| 1943 | 45.8 | 6.6 | 21.2 | 67.0 | 99 |
| 1944 | 55.9 | 4.9 | 20.2 | 76.1 | 114 |
| 1945 | 51.5 | 3.0 | 4/ 18.2 | 4/ 69.7 | 126 |
| 1946 | 54.9 | 2.3 | 15.3 | 72.5 | 142 |

1/ Year ending March 15.
2/ Largely inheritance, gift, and sales in settlement of estates; also includes a small number of miscellaneous and unclassified transfers.
3/ As of March 1.
4/ Revised.

Table 34.- Cash farm income, and indexes of prices received by farmers, of prices paid by farmers, and of rural retail sales, 1929-46

| Year and month | Cash farm income 1/ | Prices received by farmers (Aug. 1909-July 1914=100) | Prices paid by farmers (1910-14=100) | Rural retail sales 2/ (1929-31=100) |
|---|---|---|---|---|
| | Million dollars | Percent | Percent | Percent |
| 1929 | 11,296 | 149 | 154 | 125 |
| 1930 | 9,021 | 128 | 146 | 99 |
| 1931 | 6,371 | 90 | 126 | 78 |
| 1932 | 4,743 | 68 | 108 | 63 |
| 1933 | 5,445 | 72 | 108 | 68 |
| 1934 | 6,780 | 90 | 122 | 84 |
| 1935 | 7,659 | 109 | 125 | 99 |
| 1936 | 8,654 | 114 | 124 | 115 |
| 1937 | 9,217 | 122 | 131 | 122 |
| 1938 | 8,168 | 97 | 123 | 114 |
| 1939 | 8,684 | 95 | 121 | 127 |
| 1940 | 9,109 | 100 | 122 | 134 |
| 1941 | 11,743 | 124 | 131 | 169 |
| 1942 | 16,013 | 159 | 152 | 191 |
| 1943 | 20,014 | 192 | 167 | 187 |
| 1944 | 21,042 | 195 | 176 | 193 |
| 1945: | 21,552 | 202 | 180 | 203 |
| August | 1,823 | 204 | 180 | 176 |
| September | 1,977 | 197 | 181 | 185 |
| October | 2,533 | 199 | 182 | 190 |
| November | 2,250 | 205 | 182 | 212 |
| December | 1,802 | 207 | 183 | 168 |
| 1946: | | | | |
| January | 1,648 | 206 | 184 | 274 |
| February | 1,455 | 207 | 185 | 281 |
| March | 1,426 | 209 | 187 | 346 |
| April | 1,569 | 212 | 188 | 309 |
| May | 1,657 | 211 | 192 | 355 |
| June | 1,523 | 218 | 196 | 267 |
| July | 2,407 | 244 | 209 | 294 |
| August | 3/ 2,233 | 249 | 214 | 352 |

1/ Farm marketings. Includes Government payments.
3/ Preliminary.
2/ Adjusted for seasonal variation. Department of Commerce.

Table 35.- Deposits of country banks: Index numbers of demand, time, and total deposits, for selected groups of States, 1940-46 1/
(1924-29 = 100)

| Year and month | Twenty leading agricultural States 2/ | | | | Three Lake States 3/ | | | Five Corn Belt States 4/ | | | Eight cotton-growing States 5/ | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total | Demand | | Time | Total | Demand | Time | Total | Demand | Time | Total | Demand | Time |
| | | Unadjusted | Adjusted for seasonal variations | | | | | | | | | | |
| 1940 | 102 | 116 | | 6/ 87 | 97 | 120 | 6/ 86 | 109 | 126 | 92 | 96 | 112 | 6/ 81 |
| 1941 | 116 | 138 | | 6/ 92 | 105 | 140 | 89 | 129 | 154 | 102 | 110 | 134 | 6/ 84 |
| 1942 | 6/ 141 | 184 | | 94 | 120 | 179 | 91 | 160 | 207 | 108 | 139 | 186 | 6/ 84 |
| 1943 | 201 | 283 | | 100 | 159 | 268 | 107 | 6/ 224 | 316 | 122 | 6/ 196 | 283 | 6/ 86 |
| 1944 | 257 | 365 | | 120 | 201 | 333 | 137 | 290 | 413 | 154 | 6/ 247 | 360 | 6/ 102 |
| 1945: | 329 | 462 | | 156 | 254 | 404 | 181 | 368 | 516 | 203 | 328 | 478 | 136 |
| Aug. | 6/ 339 | 476 | 485 | 6/ 161 | 266 | 427 | 187 | 379 | 530 | 210 | 6/ 331 | 479 | 6/ 139 |
| Sept. | 346 | 484 | 484 | 166 | 270 | 430 | 193 | 385 | 535 | 216 | 6/ 337 | 489 | 6/ 143 |
| Oct. | 354 | 493 | 486 | 170 | 272 | 425 | 197 | 390 | 542 | 221 | 351 | 511 | 147 |
| Nov. | 366 | 512 | 503 | 173 | 278 | 435 | 202 | 404 | 563 | 224 | 370 | 542 | 150 |
| Dec. | 379 | 538 | 532 | 175 | 291 | 472 | 203 | 422 | 597 | 226 | 389 | 574 | 153 |
| 1946: | | | | | | | | | | | | | |
| Jan. | 389 | 553 | 547 | 177 | 300 | 491 | 208 | 432 | 613 | 229 | 393 | 580 | 153 |
| Feb. | 390 | 555 | 548 | 179 | 306 | 499 | 212 | 434 | 614 | 232 | 396 | 583 | 157 |
| Mar. | 392 | 556 | 552 | 180 | 305 | 496 | 212 | 438 | 621 | 234 | 395 | 581 | 157 |
| Apr. | 388 | 547 | 549 | 182 | 305 | 490 | 215 | 434 | 610 | 236 | 388 | 569 | 159 |
| May | 390 | 548 | 556 | 184 | 306 | 488 | 217 | 438 | 614 | 241 | 388 | 565 | 162 |
| June | 389 | 544 | 557 | 185 | 307 | 486 | 220 | 435 | 608 | 243 | 385 | 559 | 165 |
| July | 392 | 548 | 560 | 188 | 310 | 486 | 224 | 439 | 611 | 246 | 390 | 563 | 168 |
| Aug. | 399 | 558 | 569 | 190 | 315 | 496 | 228 | 447 | 622 | 250 | 392 | 569 | 169 |

| Year and month | Three Delta States 7/ | | | Texas-Oklahoma | | | Four Great Plains States 8/ | | | Eight Mountain States 9/ | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total | Demand | Time | Total | Demand | Time | Total | Demand | Time | Total | Demand | Time |
| 1940 | 6/ 100 | 108 | 6/ 88 | 116 | 116 | 118 | 90 | 113 | 60 | 6/ 105 | 121 | 85 |
| 1941 | 6/ 114 | 130 | 6/ 91 | 132 | 134 | 124 | 99 | 129 | 60 | 117 | 139 | 89 |
| 1942 | 6/ 148 | 186 | 6/ 90 | 161 | 169 | 114 | 127 | 176 | 60 | 141 | 179 | 90 |
| 1943 | 6/ 203 | 277 | 6/ 92 | 244 | 268 | 100 | 195 | 292 | 63 | 211 | 291 | 101 |
| 1944 | 6/ 258 | 354 | 6/ 112 | 313 | 347 | 100 | 251 | 382 | 74 | 271 | 376 | 125 |
| 1945: | 342 | 465 | 153 | 417 | 464 | 126 | 316 | 477 | 94 | 345 | 474 | 165 |
| Aug. | 6/ 340 | 460 | 6/ 155 | 431 | 481 | 130 | 325 | 490 | 97 | 342 | 465 | 169 |
| Sept. | 6/ 344 | 462 | 6/ 162 | 439 | 489 | 137 | 338 | 512 | 100 | 358 | 489 | 174 |
| Oct. | 362 | 489 | 169 | 448 | 500 | 137 | 348 | 530 | 102 | 375 | 518 | 178 |
| Nov. | 386 | 526 | 174 | 470 | 524 | 140 | 357 | 544 | 104 | 396 | 550 | 181 |
| Dec. | 416 | 573 | 179 | 470 | 523 | 148 | 366 | 560 | 104 | 413 | 579 | 184 |
| 1946: | | | | | | | | | | | | |
| Jan. | 418 | 578 | 177 | 486 | 543 | 143 | 376 | 577 | 105 | 416 | 580 | 188 |
| Feb. | 422 | 581 | 182 | 483 | 539 | 143 | 381 | 583 | 108 | 415 | 577 | 191 |
| Mar. | 422 | 581 | 185 | 490 | 547 | 144 | 378 | 579 | 107 | 414 | 574 | 192 |
| Apr. | 406 | 553 | 189 | 484 | 539 | 146 | 378 | 577 | 109 | 415 | 574 | 195 |
| May | 402 | 547 | 187 | 484 | 540 | 142 | 378 | 576 | 109 | 416 | 573 | 198 |
| June | 399 | 538 | 193 | 482 | 538 | 135 | 379 | 577 | 111 | 415 | 571 | 200 |
| July | 405 | 546 | 197 | 487 | 544 | 140 | 384 | 584 | 112 | 411 | 564 | 200 |
| Aug. | 404 | 543 | 199 | 491 | 550 | 137 | 395 | 603 | 114 | 414 | 569 | 201 |

1/ Based upon data reported by member banks of the Federal Reserve System located in places of less than 15,000 population (1940 Census). Deposits for each State are weighted each month by the cash farm income of the State in the base period. Annual figures are simple averages of monthly indexes which are based on averages of daily deposits.
2/ Ark., Ga., Ill., Ind., Iowa, Kans., Mich., Minn., Miss., Mo., Nebr., N.Y., N.C., N.Dak., Ohio, Okla., Pa., S.Dak., Texas, and Wis.
3/ Mich., Wis., and Minn.
4/ Ohio, Ind., Ill., Mo., and Iowa.
5/ N.C., S.C., Ga., Ala., Miss., Ark., La., and Okla.
6/ Revised.
7/ Miss., Ark., and La.
8/ N.Dak., S.Dak., Nebr., and Kans.
9/ Mont., Idaho, Wyo., Colo., N.Mex., Ariz., Utah, and Nev.

Table 36.- Bond rates and yields and money rates, 1930-46

| Year | Federal land bank bonds 1/ | | Federal Farm Mortgage Corporation bonds 1/ | | Federal intermediate credit bank debenture rates 1/ 5/ | United States Government bond yields 6/ | | | Industrial bond yields 9/ | Rates on prime commercial paper (4-6 months) 6/ 10/ | Federal reserve bank discount rates, New York 6/ 11/ |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Rates 2/ | Yields 3/ | Rates 2/ | Yields 4/ | | Partially tax-exempt bonds 7/ | Fully taxable bonds 7-9 years 8/ | Fully taxable bonds 15 years and over | | | |
| | Percent | Percent | Percent | Percent | Percent | Percent | Percent | Percent | Percent | Percent | Percent |
| 1930 .......... | 4.53 | 4.58 | | | 3.39 | 3.29 | | | 5.25 | 3.59 | 2 -4 1/2 |
| 1931 .......... | 4.52 | 5.13 | | | 3.21 | 3.34 | | | 6.08 | 2.63 | 1 1/2-3 1/2 |
| 1932 .......... | 4.53 | 5.32 | | | 3.33 | 3.68 | | | 6.71 | 2.73 | 2 1/2-3 1/2 |
| 1933 .......... | 4.45 | 5.18 | | | 2.55 | 3.31 | | | 5.34 | 1.72 | 2 -3 1/2 |
| 1934 .......... | 4.24 | 4.17 | 2.99 | 3.11 | 1.83 | 3.12 | | | 4.52 | 1.02 | 1 1/2-2 |
| 1935 .......... | 3.86 | 3.13 | 2.87 | 2.77 | 1.50 | 2.79 | | | 4.02 | .76 | 1 1/2 |
| 1936 .......... | 3.60 | 2.81 | 2.87 | 2.42 | 1.50 | 2.65 | | | 3.50 | .75 | 1 1/2 |
| 1937 .......... | 3.54 | 2.75 | 2.87 | 2.42 | 1.50 | 2.68 | | | 3.55 | .95 | 1 -1 1/2 |
| 1938 .......... | 3.53 | 2.37 | 2.88 | 1.75 | 1.24 | 2.56 | | | 3.50 | .81 | 1 |
| 1939 .......... | 3.53 | 1.90 | 2.98 | 1.07 | .88 | 2.36 | | | 3.30 | .59 | 1 |
| 1940 .......... | 3.53 | 1.70 | 3.00 | .59 | .75 | 2.21 | | | 3.10 | .56 | 1 |
| 1941 .......... | 3.53 | - | 3.00 | 12/ .70 | .70 | 2.05 | | | 2.95 | .54 | 1 |
| 1942 .......... | 3.48 | - | 13/ 2.93 | 12/ .90 | .77 | 2.09 | 1.93 | 2.46 | 2.96 | .66 | 1 |
| 1943 .......... | 3.42 | - | 3.03 | 14/ .64 | .81 | 1.98 | 1.96 | 2.47 | 2.85 | .69 | 1 |
| 1944 .......... | 3.06 | - | 15/ 1.00 | 16/ | .87 | 1.92 | 1.94 | 2.48 | 2.80 | .73 | 1 |
| 1945: | | | | | | | | | | | |
| Jan.-Mar. | 2.95 | - | 15/ 1.00 | 16/ | .88 | 1.75 | 1.79 | 2.41 | 2.70 | .75 | 1 |
| Apr.-June | 2.88 | - | 15/ 1.00 | 16/ | .86 | 1.66 | 1.58 | 2.38 | 2.68 | .75 | 1 |
| July-Sept. | 2.45 | - | 15/ 1.00 | 16/ | .88 | 1.66 | 1.58 | 2.36 | 2.68 | .75 | 1 |
| Oct.-Dec. | 2.45 | - | 15/ 1.00 | 16/ | .89 | 1.56 | 1.43 | 2.34 | 2.64 | .75 | 1 |
| 1946: | | | | | | | | | | | |
| Jan.-Mar. | 2.01 | 1.21 | 15/ 1.00 | 16/ | .86 | - | 1.29 | 2.14 | 2.55 | .75 | 1 |
| Apr.-June | 1.54 | 1.34 | 15/ 1.00 | 16/ | .89 | - | 1.42 | 2.14 | 2.59 | .75 | 1 |

1/ Farm Credit Administration.
2/ Based on bonds outstanding at end of each year or quarter, excluding bonds owned by issuing agency.
3/ Data represent yields on issues callable after more than 5 years. Between May 1, 1941 and Jan. 31, 1945, all outstanding bonds callable in 5 years or less. Yields for Feb. 1-Dec. 31, 1945 not shown because of refinancing activities. Beginning with 1946, data represent yields on bonds issued after Jan. 31, 1945 and due or callable between 1948 and 1955.
4/ Average of daily yields on all outstanding issues with a minimum original term of 7 years or more.
5/ Based on debentures issued during each year or quarter.
6/ Board of Governors of the Federal Reserve System.
7/ For 1930-40, figures represent average of daily yields on all outstanding issues due or callable in more than 12 years. Beginning in 1941, series shows average of yields on all outstanding issues due or callable in more than 15 years, of which none were outstanding after 1945.
8/ Beginning Dec. 15, 1945, includes Treasury bonds of June 1952-54, June 1952-55, December 1952-54, and March 1956-58.
9/ Moody's Investors Service.
10/ Prevailing open-market rates in New York City.
11/ Discount rate on advances secured by Government obligations maturing or callable beyond 1 year and discounts of and advances secured by eligible paper. A rate of one-half of 1 percent on advances secured by Government obligations maturing or callable in 1 year or less was effective from Oct. 30, 1942 to Apr. 23, 1946.
12/ Excludes two issues quoted on a negative-yield basis.
13/ Includes some 1-percent bonds held by United States Treasury.
14/ Both of the bond issues included in series callable in 1944.
15/ Represents only one issue of bonds.
16/ After May 15, 1944, all outstanding bonds held by United States Treasury.

## LIST OF AVAILABLE PUBLICATIONS AND REPORTS RELATED TO AGRICULTURAL FINANCE

### Agricultural Credit:

| Title | Publication | Date issued | |
|---|---|---|---|
| An Experimental Analysis of Factors Affecting the Collectibility of Cotton-Production Loans (Processed) | | Oct. | 1934 |
| Agricultural Loans of Commercial Banks | U.S.D.A. Tech. Bul. 521 | | 1936 |
| Federal Seed-Loan Financing and Its Relation to Agricultural Rehabilitation and Land Use | " " " 539 | | 1936 |
| Demand Deposits of Country Banks (From Supt. of Documents, Govt. Print. Off., 5¢) | " " " 575 | | 1937 |
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- *Contract Interest Rates on Farm Mortgages Recorded During March 1941.
- *Automotive Taxes and the Farmer.
- *Recent Developments in Canadian Farm Debt Adjustment.
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- Additional Data on Farm-Mortgage Interest Rates in 1940 Census of Agriculture.
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- *Small-Policy Life Insurance for Farmers.
- *Federal Fiscal Measures and Agricultural Prosperity.
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